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UK-Japan Collaboration for Innovation in Africa

Mapping Japanese Investment Activity in
the African Venture Capital Ecosystem



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To connect.

The act of forming powerful links
between people, ideas, and moments –
where something greater emerges.

Foreword from the British Embassy Tokyo

The year 2025 is an important one for both Japan and the UK in terms of their relationships with Africa. The 9th Tokyo International Conference on African Development takes place in August while the UK Government is publishing our new Approach to Africa in November. These efforts reflect the fact that Africa has the highest growth potential of any continent and greater private investment is essential to achieve this.

The UK Government is therefore proud to support this partnership between British International Investment (BII) and Japan International Cooperation Agency (JICA) to encourage further UK-Japan collaboration in the African venture capital landscape. This sits alongside our deep diplomatic, economic, and people-to-people links with Africa.

Japan and the UK are committed to working together to promote sustainable, inclusive economic growth and international development globally. Our Foreign and Trade Ministers reaffirmed this commitment, and a desire to do more together, at the inaugural Economic 2+2 Ministerial meeting earlier this year in Tokyo. Cooperation on these shared objectives can only make our work more impactful and innovative.

The UK is well placed to support African partners in mobilising private finance through our best-in-class Development Finance Institution, BII, financing from our global financial hub, the City of London, and the expertise and innovation of UK businesses. Japan, in turn, brings many complementary strengths through the tools, approaches and sectoral expertise of its institutions and investors. Working together, we can offer strong, complementary support that benefits both economic development in Africa and commercial opportunities back home.

Strategic, impactful investment is also vital for tackling the global challenges which are key to the pursuit of global prosperity. With the Sustainable Development Goals (SDGs) severely off track, the climate crisis worsening, pandemic risks remaining, digitalisation uneven and global economic growth lagging, it is more crucial than ever that we work with our closest partners to tackle these. The associated economic transformations in infrastructure, energy, life sciences and technology offer the growth opportunities of the 21st century, with Africa at the heart of the opportunity to benefit and develop.

I look forward to the collaboration that will arise from this report's recommendations and to seeing the UK-Japan development partnership go from strength to strength.



Julia Longbottom CMG

*British Ambassador to Japan,
British Embassy Tokyo*



The UK Government is proud to support this partnership between BII and JICA to encourage further UK-Japan collaboration in the African venture capital landscape.

Foreword from BII

As the world's oldest development finance institution (DFI), British International Investment has a rich history of investing across Africa. For more than 75 years we have built strong and successful partnerships across the continent, supporting businesses that drive economic growth and improve lives.

Today, our portfolio in Africa reflects our long-standing commitment to the region. One area of focus is venture capital. Recognising the catalytic role that innovation, entrepreneurship and technology play in shaping Africa's future, in recent years, we have sharpened our approach to supporting early-stage businesses. Venture capital (VC) is a powerful tool to unlock this potential and we are committed to helping build a thriving VC ecosystem that delivers both impact and returns.

BII's distinctive position, as a trusted partner with deep local knowledge and a strong track record, can help drive productive, sustainable, and inclusive growth across the continent. But we cannot do this alone. Collaboration is essential.

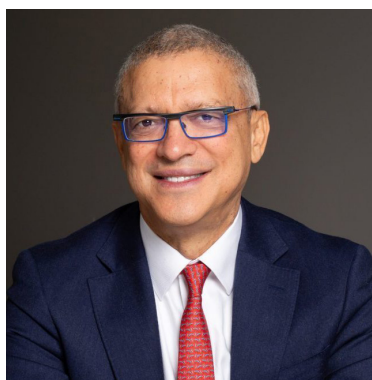
We are therefore pleased to welcome increased partnership with Japanese DFIs, including the Japan International Cooperation Agency (JICA). These partnerships are vital to unlock private sector investment in Africa. BII has already helped mobilise private capital from Japan into Africa, and we are focused on strengthening investment partnerships between Japan and Africa. In the venture capital space, we are exploring creative financing mechanisms such as blended finance and first-loss capital to help de-risk investments and crowd-in private capital.

This report provides an overview of current VC investment activity from Japanese investors in Africa, as well as rich insights and recommendations from stakeholders across the ecosystem. We hope Japanese investors and African founders alike find it valuable. As these investors increasingly turn their attention to Africa's dynamic venture capital landscape, BII stands ready to collaborate.

We are excited about the opportunities that lie ahead and look forward to deepening UK-Japan DFI collaboration on the continent. Together, we can help shape a more innovative, inclusive, and prosperous future for Africa.



We are pleased to welcome increased partnership with Japanese DFIs, including JICA. These partnerships are vital to unlock private sector investment in Africa.



Leslie Maasdorp

*Chief Executive Officer,
British International Investment*

About British International Investment

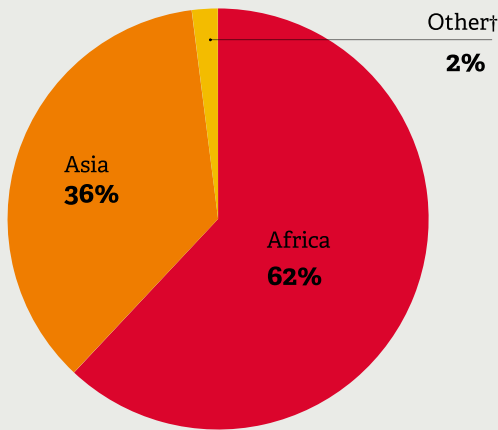
A development-focused mission is at the heart of what we do

British International Investment (BII) is the UK's development finance institution and impact investor with a mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. We invest to create more productive, sustainable and inclusive economies in Africa, Asia and the Caribbean.

Backing key regions

We currently partner with 1,630 businesses in emerging economies, and we have total assets of \$12.4 billion. We work with our investee partners to support them to succeed and grow impactful businesses.

Our 2024 commitments by region*



* Based on gross new commitments for 2024.

† This includes investments that span both Africa and Asia, as well as investments in other countries such as Ukraine.

\$12.4 billion

in total assets

1,630

businesses supported

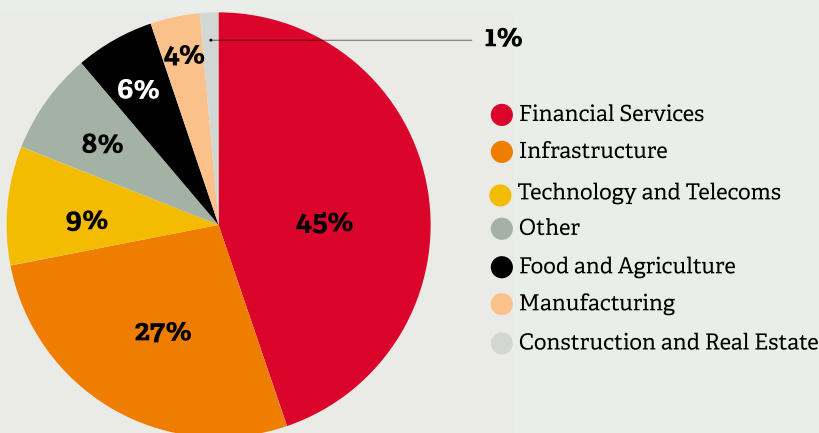
62%

commitment in Africa

Supporting priority sectors

A focus on, and expertise in, key economic sectors is central to our approach to making successful investments. We prioritise those sectors that facilitate development and need our capital the most. Our priority sectors are those with the strongest potential to create the most jobs for the capital invested and contribute towards many of the SDGs.

Our 2024 commitments by sector*

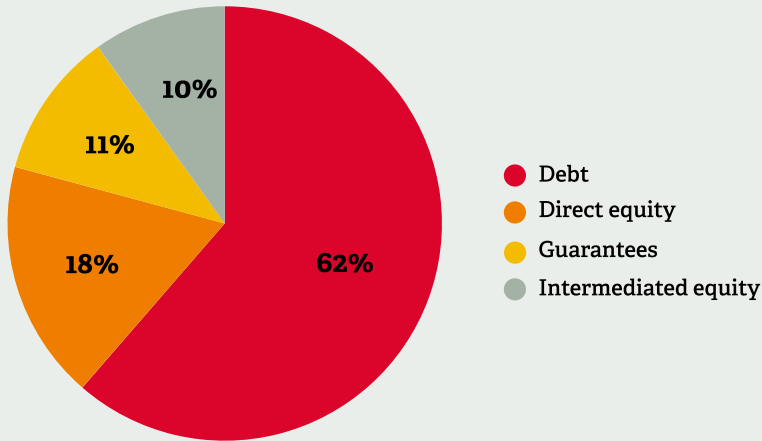


* Based on gross new commitments for 2024.

A flexible approach to providing capital

We provide capital in many ways: direct equity, debt, intermediated investments (funds, for example), guarantees and trade finance. Each product has different benefits, so a flexible approach helps us achieve a wider range of impact objectives and meet the needs of each business.

Our 2024 commitments by product type*



* Based on gross new commitments for 2024.

Innovation partnerships to deliver impact for people and planet

We invest in VC funds, supporting domestic partners in key tech hubs, to generate compelling risk-adjusted returns, drive inclusive impact. We also invest directly into early-stage businesses that disrupt agri value chains, accelerate climate innovation, increase access to essentials and enable MSME business.



“Africa presents one of the most exciting investment opportunities of our time. It is the leader and innovator in mobile money and home to some of the world’s fastest-growing technology companies. As climate tech surpasses fintech as Africa’s top investment sector, we look forward to continuing to back innovative solutions that support both people and the planet. We are delighted to see Japanese LPs, including SBI, joining us in backing the latest climate-focused fund from Novastar one of the pioneering Africa Venture Fund in our portfolio. This collaboration reflects our shared ambition to drive economic growth and support sustainable development across the continent.”

Chris Chijiutomi
Managing Director and Head of Africa, BII

Our Venture Capital strategy in numbers

\$460m

Assets under management

8

Key markets

400+

Companies tracked

20+

GP relationships

35+

Fund commitments

22+

Equity co-investments

About Japan International Cooperation Agency

JICA, in accordance with the Development Cooperation Charter, will work on human security and quality growth.

Japan International Cooperation Agency (JICA), an incorporated administrative agency in charge of administering Japan's ODA, is one of the world's largest bilateral aid agencies supporting socioeconomic development in developing countries in different regions of the world. In line with the SDGs of People, Planet, Prosperity and Peace, JICA aims to maximise its impact through collaboration and co-creation with partner governments, as well as with diverse partners at home and abroad, with the purpose of realising "human security"¹.



JICA uses an array of development assistance schemes to meet the diverse needs of developing countries around the world. Its ODA programme covers technical cooperation, grant aid and loans including Private Sector Investment Finance (PSIF) in an integrated manner. JICA established three debt facilities in light of then-Prime Minister Kishida Fumio's statement in May 2023 at the G7 Hiroshima Summit that would contribute to the sustainable development of partner countries through public and private infrastructure investment.

Facility for Accelerating Climate Change Resilient and Sustainable Society (ACCESS)



USD 1.5 billion

Facility for Supporting Agricultural supply chain and Food security Enhancement (SAFE)



USD 1.0 billion

Facility for Accelerating Financial Inclusion (FAFI)



USD 1.5 billion

¹ A concept that focuses on each and every individual through protection of individuals from various and wide-ranging threats to their survival, daily lives, and dignity and empowerment of people for sustainable self-reliance and community building, so that all people can reach their full potential.

Evolving Private Sector Investment Finance

Pursuing impact investment and impact-oriented initiatives

JICA's PSIF is a form of impact investing that supports high-impact, viable private sector projects in developing countries. In addition to its sovereign initiatives such as NINJA and Home Grown Solutions Accelerator fostering entrepreneurship and startup ecosystems, JICA contributes to the development of Africa's private sector and expanding investment opportunities by mobilising capital through PSIF.



Our Impact

FY2023



“Africa has a significant role in achieving SDGs. Under its vision of “Leading the World with Trust,” JICA will play a catalytic role in mobilising impact investing across Africa for its economic and social growth in collaboration with various co-creation partners.”

Hataeda Mikio
Senior Vice President, JICA

Executive Summary

Africa boasts one of the world's fastest-growing innovation ecosystems. Its emerging venture capital landscape is fuelled by investors looking to speed up technology adoption, support underserved markets, and build sustainable, high-impact businesses that also generate financial returns. This report, co-published by BII and JICA, and implemented by Briter, identifies key investment opportunities for Japanese funders within Africa's technology and innovation sectors. It also seeks to deepen UK-Japan engagement for Africa, and foster stronger collaboration among stakeholders active in the ecosystem.

Key insights explored in the report include:

- **Growth and transition in Africa's innovation ecosystem:** Investment in Africa's innovation ecosystem has grown significantly over the past decade. While the recent global venture capital slowdown brings challenges, there is also an opportunity to recalibrate strategies toward more resilient and collaborative partnerships.
- **Japan's diverse investors and approaches:** Japan's funding landscape in Africa is diverse, encompassing VC firms, corporate venture arms, accelerators, and government agencies. These participants take different approaches and have different entry points, demonstrating flexibility and growing interest in the continent.
- **Scale and strategic focus of Japanese investment:** Excluding private equity, large infrastructure players, and development funds, Japanese investors are estimated to have contributed more than \$1.8 billion in disclosed and announced deals over the past decade². This includes early to growth-stage venture capital in the form of equity, debt, grants, and other innovative instruments, targeting sectors and markets aligned with Japan's long-term strategic priorities.
- **Strategic business objectives:** Beyond financial returns, many Japanese investors approach Africa with strategic business objectives that extend their core operations and deliver added value to founders.
- **Barriers to investment flow:** Despite this growing interest, investment flow has been slow, hindered by structural barriers, macroeconomic and political uncertainties, and challenges related to language and distance. Successful engagement often depends on adapting to local markets and partnering with intermediaries and local funds.
- **The role of DFIs in bridging and de-risking:** Development finance institutions (DFIs) have a vital role to play in aligning stakeholders, facilitating innovative financing, collaboration, and risk mitigation.
- **UK-Japan collaboration for sustainable growth:** The UK-Japan collaboration behind this study underscores a shared commitment to working more closely with partners to accelerate sustainable and inclusive growth across Africa.

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² Briter (2025), "Briter Intelligence"



1

Introduction

Africa's innovation ecosystem has grown rapidly over the last decade, with a wave of innovators producing breakthrough solutions that are attracting local and international capital. These ventures span a wide range of industries, from digital payments in fintech to telemedicine in healthtech, precision farming in agtech, and decentralised solar energy models in climatetech. According to Briter Intelligence, African innovation funding has surged in recent years, peaking at over \$5 billion in 2021³. Although global market activity slowed in 2023 and 2024, investment flows into Africa's venture capital (VC) landscape remain much higher than a decade ago. This reflects the growing maturity of local ecosystems, the emergence of digital and technology-driven sectors, and a diversified set of investment hubs spanning beyond traditional centres such as Lagos, Cairo, Nairobi, and Cape Town, to cities like Accra, Abidjan, and Tunis⁴.

While US and European funders have dominated investment into African innovation over the last decade, Asia's engagement has also been steadily increasing. When global markets slowed at the start of the decade, many short-term and first-time overseas funders withdrew. This presented a unique opportunity for Japanese investors to carve out a greater role for themselves in Africa's investment landscape.

Japan's longstanding presence in Africa has been driven by both public and private sector efforts, with trading houses leading investments in heavy infrastructure, such as transport and energy, alongside development cooperation through agencies like JICA. More recently, Japanese venture capitalists and limited partners (LPs) are increasingly interested in Africa's high-growth sectors, particularly as the continent's digital infrastructure, youthful demographics, and demand-driven innovations align with Japan's global outlook and sustainability goals.

The UK and Japan, as close, likeminded strategic partners, are committed to working together to tackle global challenges, advance the United Nations Sustainable Development Goals (SDGs), and accelerate economic growth. This report builds on this growing UK-Japan development and investment partnership. It aims to strengthen the collaboration between our development

\$5 billion

funding raised in 2021, marking a new peak in Africa's innovation ecosystem

³ Briter (2025), "Briter Intelligence"

⁴ Briter (2025), "Africa Investment Report 2024"

finance institutions, BII and JICA, and Japanese funders by highlighting investment opportunities in Africa's tech and innovation sectors. It demonstrates the scale and breadth of Japanese activity across the continent, and the opportunity it presents for African founders to access a wider range of asset classes and funding partners. The report also draws attention to the growing potential for UK and Japan collaboration in unlocking investment into African markets. By combining our respective strengths in development finance, institutional investment, and entrepreneurial support, both countries can play a catalytic role in building more inclusive, resilient, and scalable ventures across Africa.

The figures and insights in this report have been compiled through 1) direct engagement with key stakeholders, 2) secondary desktop research into the global VC ecosystem, and 3) Japan-Africa funding flow data from Briter Intelligence. It maps current Japanese VC activity, highlighting successful partnerships and capturing insights from both funders and African founders. This report includes the voices of a wide range of stakeholders to present practical findings and recommendations for deepening Japanese engagement in Africa and fostering new pathways for UK-Japan cooperation.

The report is organised into eight sections to guide readers through the current landscape and emerging opportunities:

- **Section 1** introduces the study and its methods.
- **Section 2** offers a snapshot of the venture capital landscape in action, from global investment trends to capital flows shaping Africa's innovation ecosystem.
- **Section 3** zooms in on Japanese investment activity in Africa, mapping key funders and analysing disclosed deal data to understand sectoral focus, stage preferences, and geographic patterns.
- **Section 4** presents case studies of African ventures backed by Japanese capital, offering insights into their growth journeys and the strategic value founders sought from investors.
- **Section 5** draws on interviews and market intelligence to unpack key thematic insights, highlighting barriers, opportunities, and the potential for deeper collaboration between Japan, African stakeholders, and UK-based partners.
- **Section 6** summarises ways to unlock Japanese capital in Africa's innovation ecosystem.
- **Section 7** presents key findings on the way forward.
- **Section 8** features an overview of contributors and a glossary of terms.



The report draws attention to the growing potential for UK and Japan collaboration in unlocking investment into African markets.



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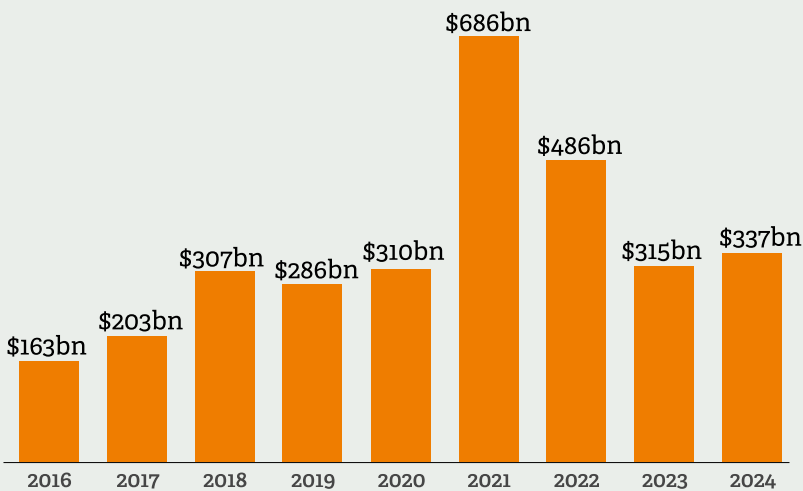
The Venture Capital landscape in action

The VC landscape refers to the flow of investment capital into early and growth-stage companies, shaping innovation and market development worldwide. The summary below outlines recent global trends and highlights the growing role of Africa's technology and climate-focused ecosystems.

The global VC landscape

Global venture capital has seen major shifts over the past decade, driven by political, economic, and market dynamics. While the market slowed in 2023, capital continues to flow into fast-growing regions and emerging technologies.

Figure 1: Global VC funding flows by value⁵



\$337 billion

raised in global venture capital in 2024

~50%

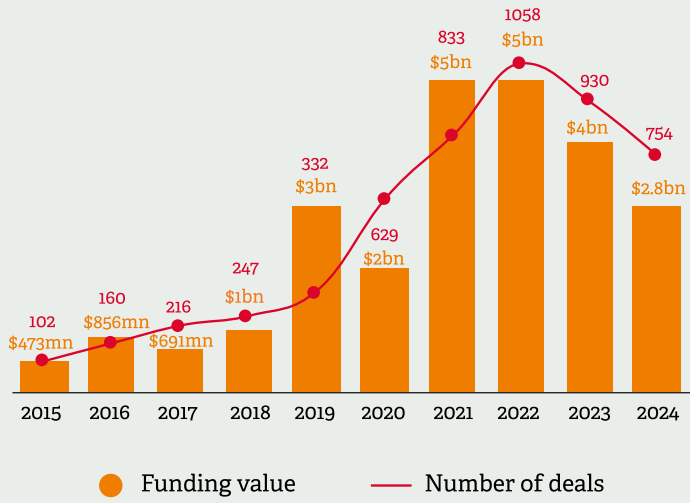
of global VC funding goes towards North America

⁵ Dealroom (2024), "The State of Global VC"

Africa's Venture Momentum⁶

Despite its small slice of global capital, Africa presents high-growth potential and underexplored opportunities.

Figure 2: Funding flows to Africa



Africa's innovation ecosystem has attracted over:

\$2.8 billion

raised by innovators in Africa's VC landscape in 2024

\$24 billion+

2015-2024 disclosed funding

<1%

Africa's global VC share in 2024

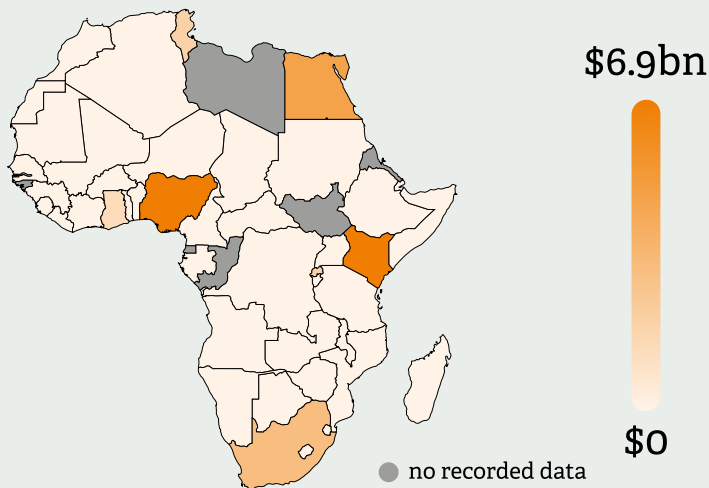
Geographical spread

Funding has been concentrated in a few regional powerhouses in the last decade.

Key markets:

- **Big Four:** Kenya, Nigeria, South Africa, Egypt
- **Emerging:** Ghana, Côte d'Ivoire, Morocco, Tunisia, Rwanda

Figure 3: Distribution of funding value (2015-2024)



6 Briter (2025), Briter Intelligence

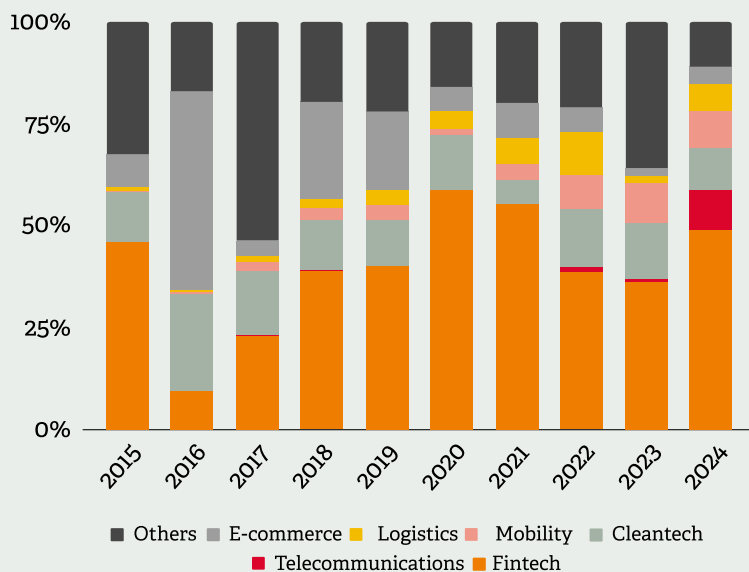
Why is there concentration?⁷

- Business-friendly policy (e.g. Kenya⁸)
- Legal/financial infrastructure (e.g. South Africa⁹)
- Perceived macro-political stability
- Presence of established startup ecosystems

Sector distribution

Fintech remains the dominant magnet for VC, enabling inclusive financial infrastructure and supporting adjacent sectors.

Figure 4: Share of funding value, distribution by sector



Fastest growing sectors

Fintech

Payments, banking, remittances, savings

Cleantech

Renewable energy, electric vehicles

Agtech

Precision farming, solar irrigation, crop insurance

7 The African Exponent, [Top 10 African Countries with the Most Favourable Business Environments in 2025](#)

8 International Finance & Innovation Centre (2025), [“Business Friendly Environment & Competitive Incentives”](#)

9 LexMundi (2023), [“South Africa”](#)

Funding stage & instruments

Africa's funding ecosystem is diverse in structure and stage. Common funding instruments include equity (common shares, SAFEs, convertibles), venture debt, grants (particularly early-stage), and blended finance (supported by development finance institutions, sovereign wealth funds, and corporate VCs especially).

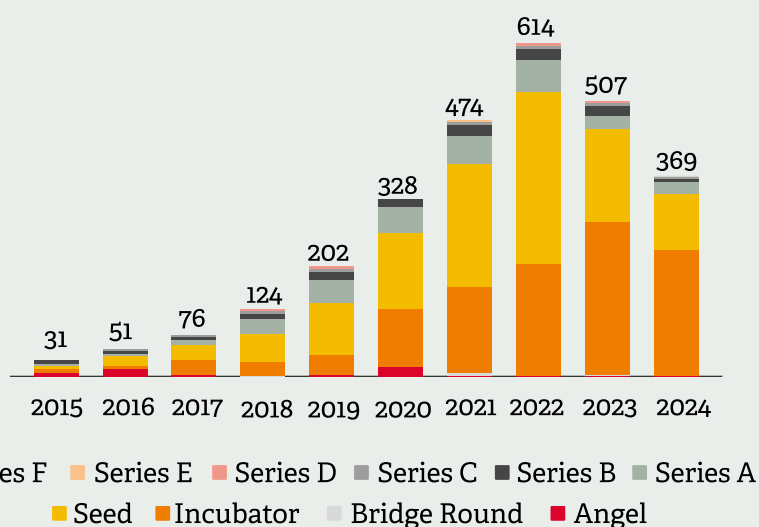
Trends:

- Growth in share of early-stage equity and grants
- Larger late-stage blended finance tickets in fintech, cleantech, and deeptech



Accelerators and angel networks often provide early-stage capital and capacity-building, while local and international VCs lead seed to Series A rounds.

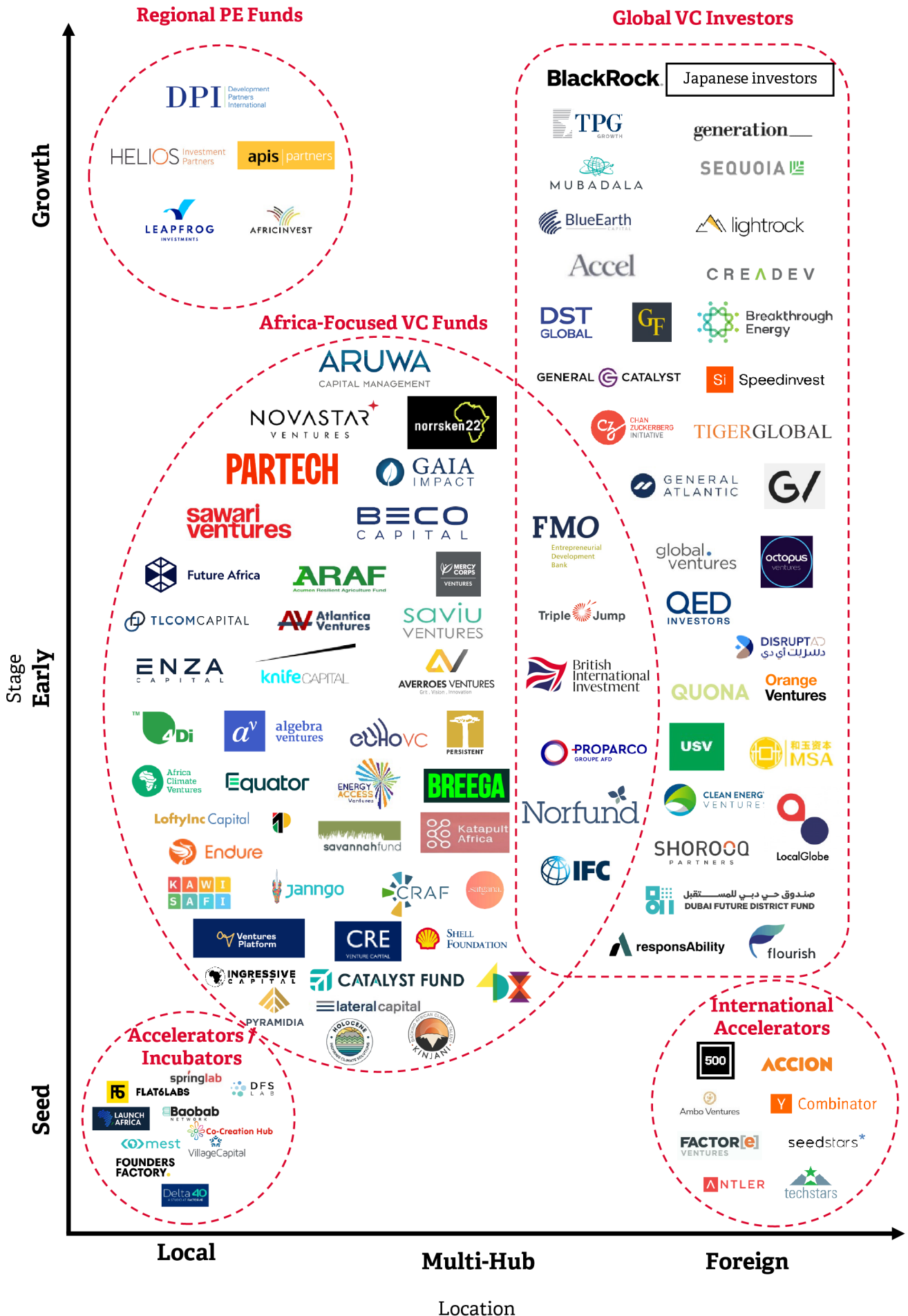
Figure 5: Number of deals by funding stage



Funder landscape

Africa's innovation ecosystem is backed by a diverse funder landscape, with participants supporting ventures across different stages. Accelerators and angel networks often provide early-stage capital and capacity-building, while local and international VCs lead Seed to Series A rounds. At later stages, DFIs, corporate investors, and sovereign funds play a catalytic role, offering larger equity tickets, venture debt, and blended finance to help scale high-impact solutions. For an overview of active funders investing across the different stages of growth, please see Figure 6.

Figure 6: Africa's funder landscape¹⁰



¹⁰ Source: Market intelligence



3

Mapping Japanese investment in Africa's venture landscape

Following the overview of Africa's venture capital landscape, this section focuses on Japanese investment activity across the continent from 2015 to 2024. It identifies the key funders, highlights African companies backed by Japanese capital, and analyses publicly disclosed deals by funding stage, sector, and geography.¹¹ It also examines UK-Japan collaborations and the role of local fund managers. Given many funding deals go unannounced, the data presented may not fully capture all investments and active stakeholders. Nonetheless, it highlights growing Japanese interest in Africa's VC landscape.

Japanese funding activity in Africa

Since 2015, Japanese investors have backed 160 African innovators across 190 deals. African innovators have secured more than 190 announced or disclosed deals involving at least one Japanese funder, contributing to more than \$1.8 billion in direct or co-invested capital.¹² This represents almost 10 per cent of the total funding received by Africa-based innovators in the last decade. Japan's engagement in Africa's innovation and its VC ecosystem is gaining momentum, both through direct investments and through strategic partnerships, with innovators across diverse sectors and countries forming meaningful ties with Japanese funders.

Key figures from Japan-Africa VC ecosystem over the last decade

60+

Japanese funders active in funding African solutions

\$3.5 million

Median deal size for Japanese investors in African VC

30+

Sectors invested in by Japanese funders in Africa

¹¹ This analysis excludes infrastructure and private equity deals outside the innovation ecosystem.

¹² Direct contributions to funding rounds are rarely disclosed, so figures represent total deal sizes and may include capital from multiple co-investors, also outside Japan.

Figure 7: African Investees funded by Japanese funders¹³

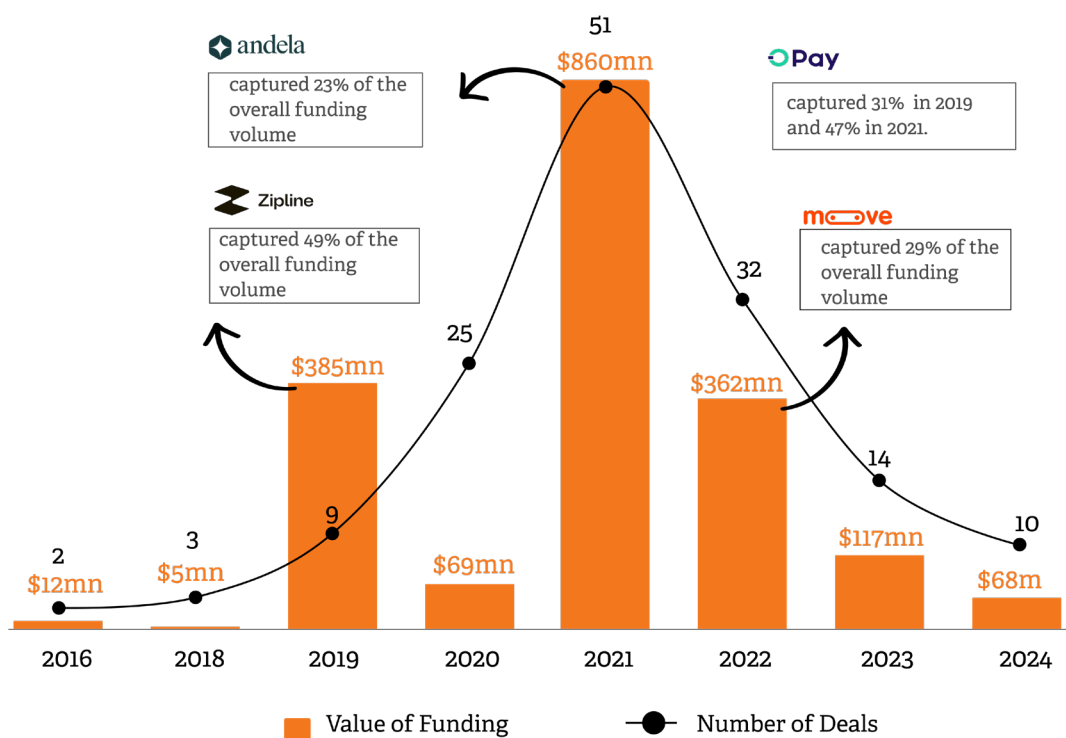


¹³ Mapping includes 100+ of the top funded African solutions that have raised directly from at least one or more Japanese funders.

Key figures from the last decade

2019 marked a notable inflection point, with funding value of \$385 million across just nine deals. These deals were largely weighted toward growth rounds, driven by large ticket size deals into medical delivery company Zipline¹⁴ and fintech company OPay.¹⁵ Investment inflows peaked in 2021, driven largely by SoftBank's mega-deals¹⁶ with OPay and Andela¹⁷, with the number of deals also hitting a record high in line with broader investor trends in Africa. While disclosed deal activity has since declined, several Japanese investors remain active across early to growth stages.

Figure 8: Japanese funding flow to Africa's solutions over the last decade



Sectoral focus

Sectoral activity offers one of the clearest windows into the strategic priorities of Japanese funders in Africa. For an overview of the key sectors and products explored, please see the Appendix. While Japanese capital spans a wide range of verticals, of the more than \$1.8 billion in disclosed capital¹⁸, over 70 per cent has flowed into three sectors: fintech, health, and mobility. With over \$700 million invested across more than 50 deals, fintech represents nearly half of all disclosed capital. Payment solutions dominate the landscape, capturing nearly 30 per cent of all disclosed capital and commanding relatively larger ticket sizes across just 10 deals.

Health and mobility are also focus sectors. Healthtech attracted more than \$265 million in funding across 18 deals, including a single medical delivery transaction that accounted for \$190 million. Mobility received more than \$240 million across 13 deals, with funding directed at asset-heavy ventures such as electric vehicles. One example is BasiGo¹⁹, which secured investment

¹⁴ Zipline (2019), "Zipline's new \$190 million funding means it's the newest billion-dollar contender in the game of drones"

¹⁵ Opay (2019), "OPay's \$120m series B round boosts fund chest to almost \$200m"

¹⁶ A mega deal refers to a deal above \$100 mn.

¹⁷ Andela (2021), "Andela announces \$200M investment led by SoftBank"

¹⁸ While this report focuses on venture capital data, it's also important to recognise that the role of Japanese funding activity in Africa increases significantly when including larger asset classes like private equity, particularly in sectors such as infrastructure, climate, and healthcare.

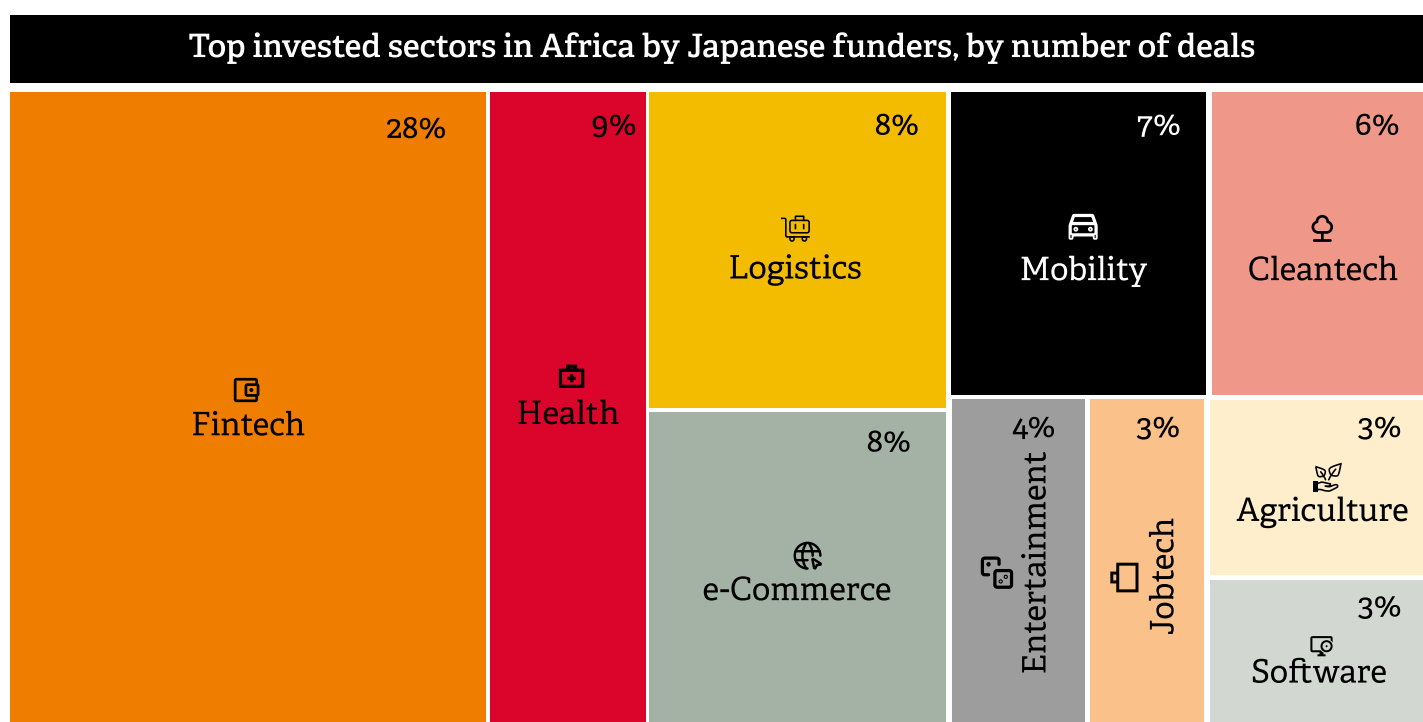
¹⁹ BasiGo (2024), "BasiGo Secures \$42 M in Funding to Scale Public Transport Electrification in Sub-Saharan Africa"

from Toyota Tsusho, CFAO Group and their corporate venture arm Mobility 54 Investment SAS²⁰. This reflects the trend of Japanese corporate investors channeling capital into sectors aligned with their parent company's commercial footprint. In this case, Toyota Tsusho's broader interests in transport infrastructure and vehicle systems are echoed by Mobility 54's venture activity. More generally, this pattern underlines how CVCs often cluster around the core sectors of their parent companies.

The jobtech, cleantech and logistics sectors make up the next tier, each attracting more than \$100 million in disclosed funding. Cleantech accounts for \$108 million across 12 deals, with medium ticket sizes ranging from \$2 million to \$20 million. A notable example is Marubeni Corporation's \$26 million investment in UK-based Azuri Technologies, which brought clean and affordable off-grid solar energy to rural communities in Kenya²¹.

Investor types in this vertical are more diverse, ranging from strategic corporations to university-liked funds such as The University of Tokyo Edge Capital (UTEC)²², and DFIs like JICA²³. Although agriculture and agtech currently represent a smaller share, the sector has strong potential for future growth.

Figure 9: Funding distribution by number of deals by sector



20 Mobility 54 Investment SAS (2022), "Mobility 54 Investment SAS invests in BasiGo, an electric bus sales and battery leasing business in Kenya".

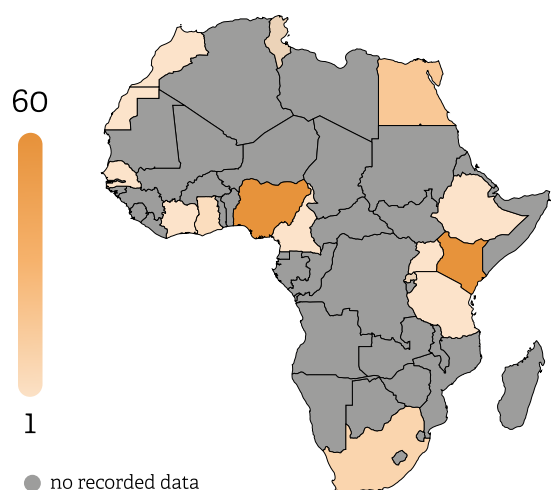
21 Azuri Group (2024), "UK-Japan energy partnership of Azuri and Marubeni wins at British Business Awards".

22 The University of Tokyo Edge Capital Partners (2023), "Peach Cars, a Kenyan used-car marketplace, raises \$5M in seed investment".

23 Japan International Cooperation Agency (2021), "Transforming collected organic waste into insect feed and organic fertilizer in Kenya: Impact investing in Sanergy (Private Sector Investment Finance)".

Geographic distribution

Figure 10: Number of deals by Japanese funders, by geography (2015-2024)²⁴



Nigeria and Kenya stand out as the most active ecosystems. Together, they account for more than half of the total number of deals and over three-quarters of the funding value. Nigeria boasts the largest value of capital received (63 per cent), predominantly driven by deals in fintech. These deals have included participation from some of Japan's global giants, such as SoftBank²⁵, Toyota Tsusho²⁶ and SBI Investment²⁷. Nigeria's fintech dominance, with more than 20 companies funded, reinforces its position as the gateway for Japan's involvement in financial infrastructure.

In contrast, Kenya has seen a more balanced sector exposure with notable investments across health, logistics, renewables and mobility. While it accounts for 16 per cent of total Japanese VC funding across the continent, Kenya is nearly on par with Nigeria in deal count. Japanese investors have backed Kenyan companies in electric mobility (BasiGo), asset finance (M-KOPA), solar energy (Bboxx), and mobility financing (HAKKI AFRICA). These deals involve early-stage firms such as Kepple Africa Ventures²⁸ and Uncovered Fund²⁹, which appear across multiple deals and have maintained a consistent presence.

Outside these two markets, Egypt and South Africa show growing but opportunistic engagement, together accounting for 16 per cent of total disclosed deals. In Egypt, recurring Japanese investors, such as Samurai Incubate Africa and Sunny Side Venture Partners, have participated in early-stage rounds across healthtech, logistics, and e-commerce. Notably, Verod-Kepple Africa Ventures (VKAV), a fund co-developed by private equity firm Verod and VC firm Kepple Africa Ventures, joined Global Brain Corporation and M3 in backing Chefaa, a healthtech platform focused on e-pharmacy solutions³⁰. South African activity, while smaller in value, includes recurring deals into entertainment (Carry1st)³¹ and mobility (Where Is My Transport)³².

» **Nigeria's fintech dominance, with more than 20 companies funded, reinforces its position as the gateway for Japan's involvement in financial infrastructure.**

24 The geographical distribution of funding has been classified on the basis of the primary African headquarters of the company, though it should be noted that many of the top funded solutions are registered outside of Africa.

25 SoftBank Group (2021), "SoftBank makes first Africa bet after leading \$400 million investment in Nigerian mobile payment startup OPay at \$2 billion valuation"

26 Toyota Tsusho Corporation (2021), "Tugende closes \$6.3 m Toyota Tsusho-backed Series A investment round"

27 SBI Investment (2023), "Japan's Hakki secures \$10M+ funding to empower Kenyan cab drivers in Series B1 round"

28 Kepple Africa Ventures (2020), "Kenyan startup Workpay raises \$2.1m seed funding to fuel its growth"

29 Uncovered Fund (2021), "Nigerian MaaS startup Treepz closes \$2.8M seed round to fund East African expansion"

30 Chefaa (2023), "Chefaa raises \$5.25 million investment to solidify presence in Saudi Arabia"

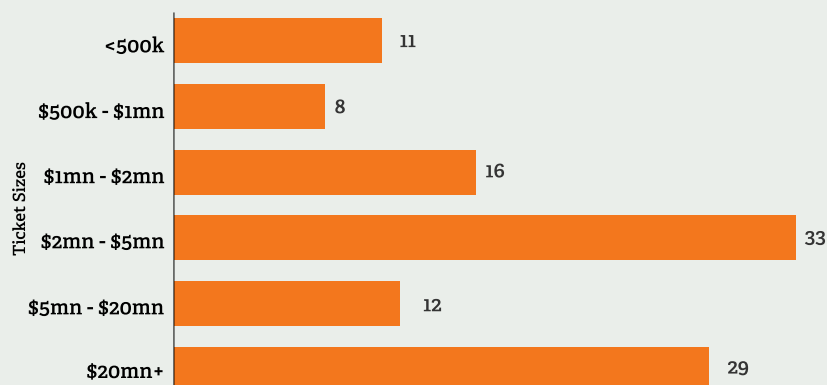
31 Carry1st (2024), "Sony is making a bold bet on an African gaming startup to boost PlayStation's reach in the continent"

32 WhereIsMyTransport (2020), "Google, Toyota Tsusho invest in WhereIsMyTransport to map transport in emerging cities"

Investment stage and instruments

In terms of capital structure, equity is the dominant instrument, accounting for nearly 98 per cent of all disclosed deals. Hybrid structures combining equity with debt remain rare in announced deal structures, appearing in only four deals in larger ticket sizes.

Figure 11a: Number of deals by ticket size*



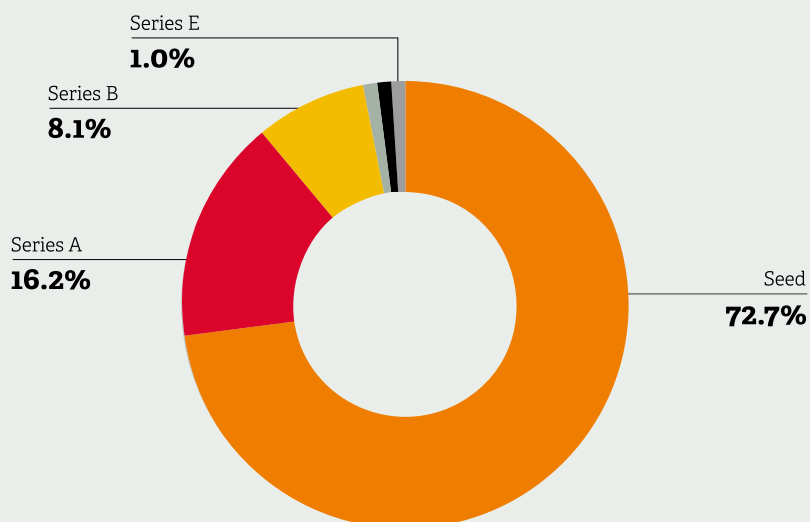
* Excludes deals with undisclosed funding value.

Funders are positioned from early to growth stages of the investment cycle. Most disclosed deals took place at Seed stage, with only a handful of deals extending into Series A and beyond. Ticket sizes paint a more distributed image. Most deals fall below the \$5 million mark, with the highest cluster between \$2 million and \$5 million, accounting for 30 per cent of all deals. Around 10 per cent of all deals fall below \$500k, while around 16 per cent exceed the \$20 million range. While there are a few outlier investments such as late-stage investments into OPay and Zipline that inflate total funding value, these remain exceptions.

\$5 million

most deals fall below this mark

Figure 11b: Distribution of deals across disclosed funding stages



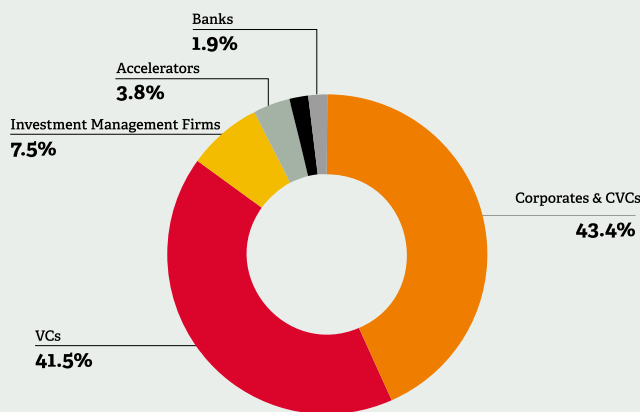


The Japanese funder landscape

The Japanese funder base in Africa is diverse, spanning a mix of financial and strategic actors. Corporate investors and their venture arms, along with VC firms, make up the majority of active participants, accounting for 43 per cent and 42 per cent, respectively. These funders bring a blend of strategic intent, operational interest, and financial capital. This distribution demonstrates a venture landscape driven not only by return-seeking capital but also by broader commercial partnerships, innovation scouting, and developmental mandates. For corporates and CVCs, Africa offers a testing ground for new products, access to fast-growing consumer markets, and strategic alignment with infrastructure or supply chain expansions. For VC firms, it presents the opportunity to lead deals in emerging markets with high potential. While most Japanese funders continue to operate from Tokyo, a growing number are establishing deeper, on-the-ground engagement across Africa. Sumitomo Mitsui Banking Corporation (SMBC)³³ also maintains representative offices in Johannesburg and Cairo to support cross-regional activity, in close collaboration with its regional headquarters in London and other offices in the EMEA region.

» *The Japanese investor base in Africa is diverse, spanning a mix of financial and strategic actors.*

Figure 12: Active funder types from Japan investing directly into Africa



33 SMBC (2024), "Global Network"

Figure 13: Active Japanese investors in Africa³⁴

Japanese funders active across Africa's innovation landscape



60+ Direct funders

190+ Investments

Accelerators

Home Grown Solutions Accelerator

Project NINJA

UNDP "Meet the Tōshikas" Programme

Gov. Agencies

Japan Bank for International Cooperation (JBIC)

Japan External Trade Organization (JETRO)

Japan International Cooperation Agency (JICA)

VCs & PEs

Central Japan Seed Fund

DEEPCORE Inc.

DRONE FUND

Global Brain Corporation

Globe advisors

Globis Capital Partners

gumi Cryptos Capital (gCC)

HAKOBUNE

Headline Asia

Hyperithm

Inclusion Japan

Kepple Africa Ventures

Mistletoe, Inc.

Music Securities, Inc.

Nissay Capital Ltd.

Samurai Incubate (former Leapfrog Ventures)

SBI Investment

Sunny Side Venture Partners

Technology Seed Incubation (TSI)

The Gogin Capital Co., Ltd.

The University of Tokyo Edge Capital Partners (Utec)

Tokyo Founders Fund

Uncovered Fund

Value Create Ventures

Corporates & CVCs

Akatsuki Entertainment Technology Fund (AET Fund)

AAIC | Asia Africa Investment & Consulting

Aucfan Incubate

CFAO Group

Dai-ichi Life Insurance Company

Daikin Industries

DG Ventures

Enigma Inc.

Eisai Co., Ltd.

Hokkoku Financial Holdings

ITOCHU Corporation

Kyuden International Corporation

Link-U Group Inc.

MIRAI Innovation Fund

Mitsubishi UFJ Financial Group (MUFG)

Mitsubishi Corporation

Mitsui & Co., Ltd.

Mitsui OSK Lines (MOL)

Mobility 54 Investment SAS

Monex Ventures, Inc.

Musashi Seimitsu Industry Co., Ltd.

Ohara Pharmaceutical Co., Ltd.

Rheos Capital Works Inc.

SBI Group

SBT Co., Ltd.

SoftBank Vision Fund

Sony Group

Skylight Consulting Inc.

Sojitz Corporation

Sompo Holdings

Sumitomo Corporation

Sumitomo Mitsui Banking Corporation (SMBC)

The Norinchukin Bank

Toyota Tsusho

Yamaha Motor Co., Ltd.

³⁴Please note that the funder mapping excludes funds where Japanese investors participate solely as limited partners. While not exhaustive, the map highlights some of the key stakeholders actively engaged in the space.

UK-Japan investment collaborations

Japan and the UK are emerging as complementary funding partners in Africa's innovation ecosystem. The UK's capital ecosystem provides a spectrum of investment via different sources, from deep and liquid capital markets and private investors to development finance capital from BII. BII's venture capital strategy targets innovative and high growth companies with limited access to capital and is aimed at bridging the funding gap for early-stage businesses and developing the venture ecosystems in Africa. This is part of the UK's modern partnership approach to growth-focused development.

Co-investment appears to be a core part of Japan's approach to funding in Africa, with 61 per cent of its funding rounds for African startups involving multiple investors and an average of three co-investors per deal. According to the Briter data explored, the UK ranks as Japan's third most frequent co-investment partner, after the US and Nigeria, highlighting its importance in this collaborative landscape.

Data from Briter shows that UK-based investors are increasingly co-investing alongside Japanese investors into African innovators. At least 10 per cent of the total funding volume contributed by Japanese investors has a UK-based co-investor. A notable example is Moniepoint (formerly TeamApt) whose \$20 million Series B round in 2021, which included both Kepple Africa Ventures and BII as backers³⁵.

The UK and Japan also bring complementary investment philosophies to the table. UK investors often take a proactive approach in early-and growth-stage venture capital, supporting scalable innovation with a strong emphasis on impact and market-building. Japanese investors tend to take a longer-term view, often bringing strategic corporate capital, and technical support as value-add services. Together, this combination of catalytic early-stage support and patient, strategic capital can help encourage resilient, inclusive growth across Africa's innovation landscape.



Data shows that UK-based investors are increasingly co-investing alongside Japanese investors into African innovators.

³⁵ Moniepoint (2021), "TeamApt closes undisclosed Series B round to extend its banking services across Africa"

The role of Japanese LP capital in African venture funds

Another meaningful way of partnering is by investing indirectly through funds, combining expertise, network and capital to reach new markets. While the data in this section captures disclosed, direct investments by Japanese entities and the African innovations they support, it is important to note that a significant portion of Japanese capital enters the continent indirectly, as many Japanese investors participate as limited partners (LPs) in Africa-focused funds, providing critical capital that fund managers invest onwards into promising ventures across the region. This growing trend reflects an increasing interest in co-investing alongside seasoned local fund managers, helping Japanese investors to leverage on-the-ground expertise while reducing entry risks and building familiarity with the ecosystem. To better understand how this indirect capital shapes the ecosystem, it is helpful to look at specific Africa-focused funds that receive backing from Japanese LPs.

Novastar Ventures

Novastar Ventures³⁶ is one of the longest standing venture capital investors on the continent, with a strong track record of attracting DFI and private capital to back high-impact African ventures. Launched in 2014 with anchor backing from European DFIs, including BII³⁷ and private investors, Novastar has since expanded its LP base to include prominent Japanese institutions. The Novastar-SBI partnership stands out as a marquee deal that has accelerated the Africa-Japan corridor, demonstrating how trusted local fund managers can unlock strategic Japanese capital. In 2023, SBI Holdings committed \$40 million across Novastar's upcoming funds, positioning itself as a key anchor investor in the firm's next phase of growth.³⁸

» In 2023, SBI Holdings committed \$40 million across Novastar's upcoming funds, positioning itself as a key anchor investor in the firm's next phase of growth.



"At Novastar, we don't just offer Japanese investors an LP experience, we provide front-line insight into what's happening on the continent and the types of assets that align with each of their strategies. Since 2014, BII has been a catalytic force in the development of the VC asset class in Africa, and their support for the Japan-Africa bridge bodes well for the next chapter for Africa's innovation and growth."

Steve Beck

Co-Founder & Managing Partner, Novastar Ventures



"Japanese capitalists cannot pick winners in Africa without deep local ties. Whenever we enter a new market, we seek the right partners first. We did this in the United States, and we're doing the same in Africa. Through Novastar, SBI is gaining access to emerging opportunities across the continent. For instance, we recently co-invested in an Egyptian e-commerce company, with SBI introducing Japanese trading houses to explore synergies."

Shohei Yamada

CEO, SBI Holdings USA

36 Novastar Ventures (2025), "Novastar Ventures"

37 BII (2025), "Novastar Ventures East Africa Fund I LP Investment"

38 Novastar-SBI partnership (2023), "SBI Holdings and Novastar Form US\$80 Million Landmark Partnership to Catalyze Japanese Investment in Africa"



4

Founder journeys and perspectives: fast-growing solutions

Underpinning the investment activity is a vibrant set of companies. This section showcases the profiles of several successful African solutions that have already partnered with Japanese stakeholders to accelerate their growth and expand their impact. These case studies explore the innovators' growth journeys and offer insights into the strategic opportunities and value that arise from collaborations between African entrepreneurs and Japanese funders.

Case Study 1: MAX³⁹



Founded:
2015

Sector:
Mobility

Headquarters:
Nigeria



Co-Founder & CEO
Tayo Bamiduro

Background and model

MAX is democratising access to sustainable mobility across Africa by making electric vehicles affordable and accessible to taxi, delivery, and gig drivers who rely on them to earn a living. They have built a two-part system: first, a pay-as-you-go infrastructure featuring a revenue-based credit-decision engine, advanced IoT and batch management systems, and automated digital payment tools, which enables flexible and inclusive financing; second, a fleet and battery provisioning system powered by strategic original equipment manufacturer (OEM) partnerships, including Yamaha, that supplies high-quality vehicles and batteries through subscription and rent-to-own models.



MAX is democratising access to sustainable mobility across Africa.

³⁹ Max (2025), "Max"

Reflections on the partnership with Yamaha

Tayo Bamiduro, Co-founder and CEO of MAX, explains that MAX's partnership with Yamaha began through direct engagement in 2019, leveraging Yamaha's deep-rooted presence in Africa, particularly Nigeria, where Yamaha motorcycles have been sold since the 1970s⁴⁰. Their involvement was not purely financial but also strategic, aiming to advance mobility solutions on the continent. Together, MAX and Yamaha have collaborated closely to deploy over \$30 million in off-balance-sheet financing to scale affordable vehicle rentals for two- and three-wheelers, particularly in Nigeria, unlocking access to vehicles through innovative subscription and rental models.

Reflections on investor value-add and partnership dynamics

Tayo reflects that Japanese investors like Yamaha are analytical and thorough, examining every layer of the business from go-to-market strategies and scaling plans to risk mitigation and management. Their involvement is deep but respectful, reflecting a typically Japanese approach that balances active engagement with collaboration rather than intrusion. Unlike some traditional VCs that invest and take a hands-off approach, Yamaha partners with conviction and works closely with portfolio companies to offer support and strategic guidance. While disagreements may arise, the relationship remains respectful and highly collaborative, making them exceptional long-term partners.

\$30 million

deployed in off-balance sheet financing scale affordable vehicle rentals

Case Study 2: Apollo Agriculture⁴¹



Founded:
2016

Sector:
Agriculture

Headquarters:
Kenya



CEO
Eli Pollak

Background and model

Apollo Agriculture (Apollo) is a leading agri-fintech platform, empowering small-scale farmers across Africa to increase their profits and farm more sustainably. Apollo uses artificial intelligence and automated operations to unlock the massive, untapped small-scale farming market, enabling farmers to access the optimised financing, high-quality farm products, expert digital advice, and risk management solutions they need to invest and scale their businesses. Apollo currently serves farmers across Kenya and Zambia.

Reflecting on the partnership with Japanese investors

In 2022, Apollo secured \$40 million in a Series B funding round led by SoftBank Vision Fund, with SBI Investment participating as a key existing investor, having already invested in an earlier financing. The funds were directed toward expanding Apollo's agricultural platform, enhancing its technology, and accelerating its reach across additional African markets. Eli Pollak, CEO of Apollo, describes his experience working with Japanese investors as positive and supportive, through the company's scaling journey. Investors pay close attention to financial performance, engage in updates at the Board level and outside, actively offer guidance, and thoughtfully discuss issues of strategic interest to the company.



Apollo empowers small-scale farmers across Africa to increase their profits and farm more sustainably.

⁴⁰ Max (2019), "MAX.ng raises \$7M round backed by Yamaha and pilots EVs in Nigeria"

⁴¹ Apollo Agriculture (2025), "Apollo Agriculture"

Going forward and collaborating with DFIs

Apollo believes that the diversity of its investor team is not just a strategic preference but a critical component of its long-term growth. By engaging with investors from varied backgrounds, ranging from DFI investor BII to corporate VCs and other commercial investors, the company ensures access to a wide spectrum of expertise and perspectives. This diversity enables Apollo to receive tailored advice and relevant support when navigating complex challenges or exploring new opportunities. Rather than viewing investors solely as financial contributors, Apollo sees them as partners in innovation whose unique insights can shape the future of agricultural development across Africa.

Eli suggests that partnerships with DFIs, such as BII and JICA, could open up significant opportunities for emerging startups across Africa. By fostering connections between early-stage ventures and prospective investors, and by offering strong reference points, these collaborations can pave the way for deeper exploration and growth throughout the region's innovation ecosystem, with long-term value-creation opportunities at the intersection of agriculture, fintech and climate/carbon markets.

Case Study 3: BasiGo⁴²



Founded:
2021

Sector:
Mobility

Headquarters:
Kenya



Co-Founder & CEO
Jit Bhattacharya

Background and model

BasiGo is an e-mobility company aiming to transform the public transport system in Africa. BasiGo's innovation is focused on addressing the high upfront cost of electric buses by offering a pay-as-you-drive financing model where the operators pay based on mileage, making the transition to electric transport more accessible and affordable. Given the gaps in the electric mobility ecosystem, BasiGo has to build a fully integrated supply chain from the ground up. This includes importing electric buses as knockdown kits, assembling them with local labour in Kenya, and setting up the charging infrastructure for them to run.

Creating synergies through financial and strategic partnerships

BasiGo has engaged with Japanese partners through several channels. Novastar has been instrumental in offering connections to Japanese LPs, while strategic investors like CFAO and Mobility 54 have provided both capital and operational support. CFAO, with its ties to Toyota Tsusho has, among other things, helped BasiGo expand supply chain access by opening doors to state-of-the-art manufacturers and supporting local assembly. Their pan-African presence offers a path to scale in new markets. Jit Bhattacharya, Co-Founder and CEO of BasiGo, notes that Japan's financial commitments to infrastructure in Africa at a level beyond the VC space plays a key role in shaping who enters the value chain and how the system works. This support helps attract stronger partners, lowers costs, and raises the standard across the sector.



BasiGo's innovation focuses on addressing the high upfront cost of electric buses.

42 BasiGo (2025), "BasiGo"

Transitioning from venture to infrastructure capital

BasiGo is slowly moving from early-stage venture funding to more private equity and asset-based financing, particularly infrastructure debt. This transition aligns with the company's evolving business model and capital needs as it scales deployments. Japanese institutions like JBIC and SMBC are seen as future partners, especially given Japan's long-term, ecosystem-wide investment approach. Jit notes that, for founders, this type of shift only becomes possible if you align with strategic investors early, not only for capital but to enable the pathway to exit.

Case Study 4: Moniepoint⁴³



Founded:
2015

Sector:
Fintech

Headquarters:
Nigeria



CEO & Founder
Tosin Eniolorunda

Background and model

Moniepoint Inc. is Africa's all-in-one financial ecosystem, helping 10 million businesses and individuals access seamless payments, banking, credit, and business management tools. As Nigeria's largest merchant acquirer, it powers most of the country's Point of Sale (POS) transactions and processes over \$24 billion of digital transaction value for its customers each month. Following its recent \$200m Series C fundraising, Moniepoint has set its sights on growing its regional footprint, positioning itself as a leading digital financial service provider across Africa⁴⁴. Japanese-founded VC firm Kepple Africa Ventures was an early backer during Moniepoint's Seed round, back when the company was still operating as TeamApt. Since then, the company has gone on to raise funding from a diverse group of investors, including Development Partners International (DPI),⁴⁵ Visa,⁴⁶ Google's Africa Investment Fund,⁴⁷ Verod Capital, Lighthouse, QED Investors, Novastar Ventures, BII, FMO (the Dutch entrepreneurial development bank), Global Ventures and Endeavor Catalyst.

The value of long-term, strategic capital

Raising growth capital remains highly challenging in the region. Due to the market volatility, currency risks, and regulatory complexity, international funders sometimes struggle to see a path to commensurate financial returns and exit in a typical 5-year investment horizon. The Japanese investment approach can be valuable in this context because they tend to operate with longer-term horizons and draw from experiences in emerging markets like Southeast Asia. This patience is especially suited to Africa's cyclical growth, where businesses may face devaluation one year and rapid expansion the next. Moniepoint is excited to explore partnership opportunities with Japanese investors and strategics to help unlock Africa's entrepreneurial potential. Japan is home to many world class players whose long-term strategic perspective and extensive global experience makes them the ideal partners for African entrepreneurs looking to build enduring and transformative companies.

\$24 billion

digital transactions processed by Moniepoint each month

⁴³ Moniepoint (2025), "Moniepoint"

⁴⁴ Moniepoint (2024), "Africa's Fastest-Growing Fintech Moniepoint Secures US\$110 Million Investment to Scale Digital Payments and Banking Solutions"

⁴⁵ Development Partners International (2025), "DPI"

⁴⁶ Visa (2025), "Visa Corporate"

⁴⁷ Google (2025), "Google's Africa Investment Fund – Black Founders Fund"

Evolving investor expectations at the growth stage

As Moniepoint has matured into a sizeable, profitable business, what it needs from investors has shifted. At their current growth stage, the most valuable support is not day-to-day operational guidance but help in opening doors for future fundraising and global partnerships. Investors like DPI, who led Moniepoint's Series C, bring strong reputational value due to their technical rigour and experience with African markets. This kind of institutional backing reassures global investors that the company has passed serious due diligence and is a credible growth-stage opportunity.

Addressing the growth capital gap

Local and regional capital can often support early and mid-stage growth, but international capital is still essential to fill the gap at later stages. However, this global capital needs to be aligned with the continent's longer-term growth trajectory. Sovereign wealth funds, Middle Eastern investors, and large Asian conglomerates are well-positioned to bring the necessary patience and scale. African companies, meanwhile, should prepare to demonstrate clear profitability and reduce reliance on external capital by the Series B stage.

Case Study 5: Moove⁴⁸



Founded:
2019

Sector:
Mobility

Headquarters:
UK



Chief
Transformation
Officer

Tingting Peng

Background and model

Moove is a mobility-focused fintech offering revenue-based financing solutions to entrepreneurs and gig workers in ride hailing. While the company started in Nigeria, it has since expanded to multiple countries, including Nigeria, South Africa, Ghana, the United Arab Emirates, the UK, Mexico and Colombia, and has more recently expanded through acquisitions and partnerships to Brazil and Japan. With a strong impact mission, Moove helps underserved individuals and informal workers globally access vehicle ownership opportunities that are typically out of reach through conventional financing.

Growing through partnerships

Tingting Peng, Chief Transformation Officer at Moove, points out that the platform is underpinned by three types of partnerships to share risk and enable scale:

- Global ride-hailing platforms like Uber,⁴⁹ Careem,⁵⁰ and Waymo,⁵¹ where data integration is key. Moove can “tap into platform data” to access new networks, pre-qualify drivers, and speed up onboarding.
- Vehicle OEMs such as Toyota⁵² and Suzuki⁵³, especially in emerging markets. Moove relies on dealer networks for vehicle supply and after-sales service.



Moove helps informal workers access vehicle ownership opportunities.

48 Moove (2025), “Moove”

49 Uber (2025), “Uber”

50 Careem (2025), “Careem”

51 Waymo (2025), “Waymo”

52 Toyota (2025), “Toyota Global”

53 Suzuki (2025), “Suzuki Global”

- Financial institutions, including DFIs like the World Bank and BII, private credit funds, and retail banks like ABSA. These partners have enabled Moove to scale its vehicle financing model.

An evolving growth journey

Moove has a diverse set of backers, including MUFG Innovation Partners.⁵⁴ Tingting explains that as Moove scales, the capital requirement is shifting. Early on, DFIs were essential, and at Series A, Moove brought in a “diverse cap table” that helped the company go global quickly. However, future growth will need a far higher quantum of debt, for instance from global asset managers, banks, and pension funds, to truly scale. She explains that Moove is aiming to diversify revenue through continued asset financing and growing its autonomous mobility partnerships, while also building resilience in an increasingly volatile world.

Case Study 6: M-KOPA⁵⁵



Founded:
2010

Sector:
FinTech

Headquarters:
UK



CEO
Jesse Moore

Background and model

M-KOPA is a fintech platform that provides underbanked consumers across Africa with access to essential products and services through flexible micro-payments. Originating in pay-as-you-go solar and shaped by early experience with mobile money platforms like M-PESA, M-KOPA has since expanded into smartphone financing and embedded financial services. Its “More than a Phone” devices offer customers integrated access to credit, insurance, and digital tools. With operations in Kenya, Uganda, Nigeria, Ghana, and South Africa, M-KOPA’s model has proven scalable across diverse markets.

Working with Japanese funders

Jesse Moore, CEO of M-KOPA, notes: “We’ve been incredibly fortunate to have partners like Sumitomo who genuinely believe in building lasting value and impact. Finding investors who can see the long-term potential and have the patience to walk this journey with us has been pivotal to our success.” With Sumitomo, “walking the journey” isn’t just corporate speak - they’ve been hands-on partners, opening up networks and sharing expertise as the company has scaled.⁵⁶ What really sets them apart is seconding team members to work within M-KOPA’s growth accelerator team, playing critical roles in the innovation pipeline.

Advice for African founders

The M-KOPA team highlights that innovators looking to attract Japanese funding should focus on getting the fundamentals right: solid profitability, a clear growth trajectory, and a sustainable business model. Equally important is a long-term vision. Japanese investors think in decades, not just quarters. Founders should be prepared for a different kind of partnership, as they tend to be hands-on rather than passive capital providers.

⁵⁴ MUFG Innovation Partners (2022), “MUFG Innovation Partners invested in Moove”

⁵⁵ M-KOPA (2025), “M-KOPA”

⁵⁶ MUFG Innovation Partners (2022), “MUFG Innovation Partners invested in Moove”

Relationship-building matters more than deal-making, with business culture grounded in trust and mutual respect. Finally, be authentic about challenges and how they're being addressed.

The future of Africa-Japan partnerships

Jesse suggests that the greatest opportunities lie at the intersection of challenges. Climate resilience, digital inclusion, and financial access are interconnected realities that require integrated solutions. M-KOPA's expansion into e-motorbike financing, for instance, addressed climate resilience through sustainable transport. Addressing these systemic issues requires partners who think long-term and act with intention. Japanese institutions bring a generational perspective to challenges like climate adaptation, planning from the ground up rather than as an afterthought.



5

Japanese investor operations in Africa

The case studies above highlight the innovative models and growth journeys of African startups, and underscore the demand for a type of capital that is strategic, patient, and embedded in real operational needs. Japanese funders are increasingly responding to this with approaches grounded in long-term thinking, trusted partnerships, and deep sector engagement. Drawing on direct engagement with funders active across the continent, the following insights highlight a) how Japanese capital allocators are navigating opportunities, b) overcoming barriers, and c) contributing to the evolving investment ecosystem through partnerships, signals, and innovative funding mechanisms.

A | Emerging opportunities

Why should Japan be looking to Africa?

As Japan seeks new horizons for investment, African economies stand out due to their demographic momentum, rising consumer markets, and innovation in critical sectors. While Japan brings deep expertise in infrastructure, industrial systems, and technology, alongside high capital availability and a long-term investment outlook, African markets offer fast-growing sectors and a pressing need for funding across stages. Japanese corporations and trading houses are already expanding into new geographies, and African ventures are building scalable solutions that align with Japan's strategic priorities. Together, these dynamics are creating a strong foundation for mutually beneficial partnerships, blending Japan's patient approach and environmental, social, and governance (ESG) oriented capital, with Africa's entrepreneurial ecosystems and demand for inclusive, tech-driven growth.

» ***“By 2050, Africa will account for 25 per cent of the global population. Some of the world’s biggest cities will be here. These are not just local companies. You can find global thinkers solving African problems and Japan cannot miss out on this moment.”***

SBI Holdings

Exploring pathways for Japanese funders to enter Africa

Japanese funders approach investment in Africa through a range of pathways, typically shaped by a combination of internal mandates, structural mechanisms, and their ability to access and navigate local ecosystems. Their entry strategies are also influenced by levels of market confidence, familiarity with the local context, and risk appetite:

- **Partnerships beyond capital:** When businesses look beyond financial returns, partnerships offer a way to explore new environments, extend operational capacity, test products and co-develop new opportunities with established participants in a particular vertical or sector. The UK and Japan have several strategic government-to-government agreements backed by senior political commitment that aim to strengthen collaboration in third countries. These include sector-specific agreements such as the Renewable Energy Partnership,⁵⁷ bilateral memoranda of understanding between public finance institutions, as well as multilateral initiatives such as the G7 Partnership for Global Infrastructure and Investment (PGII).⁵⁸ Such agreements form the institutional foundation and framework for developing and expanding partnerships between UK and Japanese investors.
- **Direct investment or co-investment:** Direct investments, executed independently or with other funders, are best suited to those with the capacity for a sustained local presence that enables close oversight, relationship-building, and long-term support to portfolio companies or funds.
- **Investing in funds as a first step into the new markets:** Investing as LPs in local or international funds has become an increasingly popular route for Japanese investors looking to expand their reach into Africa. Investing through funds gives investors indirect pipeline access and the opportunity to gain deep contextual understanding through local partners.
- **Infrastructure-led ecosystem building:** Japanese funding in Africa extends well beyond venture capital. Significant capital flows are directed toward infrastructure and broader development initiatives, and are typically led by private equity firms and government-linked organisations partnering with larger local corporates or public institutions. These investments play a significant role in shaping the overall ecosystem, influencing both the viability and risk profile of VC activity. While this report does not examine this fourth layer in detail, it is an essential dimension of Japan's long-term engagement and impact on the continent. It is also another area that highlights the advantages of UK and Japan collaboration, with UK strengths in front-end (feasibility studies, risk consultancy, etc.) and back-end services, and Japanese advantages in construction and international contracting.

⁵⁷ Department for Energy Security and Net Zero (2023), "Joint statement between Ministry of Economy, Trade and Industry of Japan and Department for Energy Security and Net Zero of the United Kingdom on renewable energy partnership"

⁵⁸ Ministry of Foreign Affairs of Japan (2023), "Factsheet on the G7 Partnership for Global Infrastructure and Investment"

Unlocking capital across industries

Africa offers strategic investment opportunities across high-growth and high-impact sectors, particularly in areas addressing underserved populations and critical infrastructure. While fintech has historically captured a significant share of investment, investor attention has increasingly shifted towards businesses solving persistent, real-world challenges across sectors like cleantech, healthtech, logistics, and mobility. Some target sectors align with strategic strengths or technical expertise, while others focus on scalable, resilient business models rooted in local demand. At early stages, some investors choose to remain sector-agnostic to stay responsive to emerging opportunities.



“There is always a way to structure participation if you engage early. Many funders assume the risk profile of African ventures is insurmountable, but this is often a structural design problem, not a market one. Shift the mindset from “risk avoidance” to “risk shaping.”

Green Climate Fund⁵⁹



“If you’re building on top of proven demand and physical presence, your chances of success and alignment with Japanese investors are much stronger.”

Verod

When investment goes beyond cash: Japanese investors’ long-game and strategies on the African continent

Japanese corporations are investing in startups not just for immediate financial returns, but to enter new markets, partnerships, and long-term business growth. This is not limited to the venture capital space. Africa-Japan collaborations span various types, asset classes, and business areas, including expanded distribution networks, strategic partnerships with local stakeholders, supplier relationships, and key entry points to new customer markets. Conglomerates, trading houses, and corporations often bring more than capital – they offer networks, expertise and resources for business expansion. These types of funders are increasingly looking to grow their core business in new African markets, aligning strategic interests with financial return objectives. This approach also benefits founders, who gain access to value-added services beyond funding alone.



“Unlocking Africa’s potential requires more than capital injection. It requires deploying capabilities, expertise, and long-term collaboration.”

MOL



“Hybrid investors, those who can act as corporate partners, strategic LPs and venture backers, are often best positioned to create value for founders and funders.”

Verod-Kepple Africa Ventures⁶⁰



⁵⁹ Green Climate Fund (2025), “Green Climate Fund”

⁶⁰ Verod-Kepple Africa Ventures (2025), “Verod-Kepple Africa Ventures”

B | Challenges and barriers

Despite the opportunities, funders entering African markets face persistent hurdles, including risk perception, uncertainty around exits, limited data and unfamiliarity with local contexts, which often slows the pace of capital deployment.

Navigating market risks and funding concentration

Perceived market risk, shaped by macroeconomic volatility and political uncertainty, has led to a concentration of funding in select markets. There are significant differences in economic and regulatory maturity and stability across African countries. Ongoing challenges, such as currency volatility or political turmoil, also remain key friction points for funders.⁶¹ This results in two main outcomes: risk-averse funders choosing to invest elsewhere, and a concentration of capital in a small number of markets. In markets with high levels of uncertainty, capital tends to gravitate toward countries perceived as more predictable or stable. Kenya, Nigeria, Egypt, and South Africa remain the top destinations for funding overall. This is also the case for Japanese investment flows. This is largely due to the more established startup ecosystems and infrastructure in these markets, which in turn has helped create positive signals for further investment. While interest is growing in emerging and underexplored markets across West and North Africa, limited visibility into local opportunities, weaker networks and language barriers can make them harder to navigate compared to better-known English-speaking ecosystems. To succeed, investors need to understand the unique dynamics of each market, including regulatory environments, historical investment outcomes, and the vibrancy of local ecosystems.



“Currency devaluation and limited exit options remain hurdles, but the opportunity to build long-term impact and commercial value by connecting Africa and Japan has never been more compelling.”

&Capital⁶²



“Africa presents challenges, but we see growth despite these headwinds. Founders adapt, and solutions evolve.”

SBI Holdings



“Japanese firms often struggle with limited local information and context. Programmes like JICA Biz and JETRO aim to close this gap through grants and business matchmaking, but localisation remains critical. Even with great technology, Japanese companies will struggle to succeed without adapting to local markets and building strong local teams.”

JICA

⁶¹ World Economic Forum (2024), “Why a recent business exodus from Africa should be a wake-up call for multinationals”

⁶² &Capital (2025), “&Capital”

Aligning funding expectations with market realities in Africa

Funding expectations are not always aligned with market realities. Investing in Africa can also differ significantly from other markets or regions, as strategies successful in one country may not translate effectively to another. To have the best chance of success, funders need tailored frameworks for each local market from the outset, with timelines, return expectations, and financing instruments reflecting specific conditions and constraints. Understanding local market dynamics, and being able to respond to shocks and adjust portfolio strategies, are equally critical to investing successfully. This is particularly important given many African founders received initial funding from overseas investors that pulled back during the pandemic and have not returned with follow-on capital since.

» *“Applying a uniform investment framework across geographies rarely works. Success metrics used for projects in Europe or North America, for example, cannot be applied to markets in Africa without adjustment. Each investment must be based on local realities, including political risk, infrastructure gaps, and operational constraints.”*

MOL

» *“Despite the presence of structures designed to accommodate conservative risk appetites, many investors still perceive African climate investment as too risky. GCF encourages investors to engage at the fund design stage so that mechanisms can be tailored to their risk profile. Waiting until structures are finalised often results in a mismatch.”*

Green Climate Fund

Ongoing market uncertainty drives a cautious approach

Japanese capital often moves cautiously in African markets, shaped by structural conservatism, perceived risk, and limited market familiarity. A lack of reliable data and clear market insight makes it difficult to assess where and when to deploy capital, especially in the absence of proven pathways to scale or exit. While many strong businesses operate across the continent, not all have demonstrated repeatable growth trajectories. Cultural differences, language barriers, and the significant physical distance between Japan and Africa, add further complexity, making it harder to identify credible opportunities, conduct due diligence, and build the trust needed for investment. As a result, funders frequently adopt a conservative approach, often requiring de-risking mechanisms such as blended finance, first-loss capital, or intermediary involvement. Internal mandates may prioritise more familiar or closer markets, reinforcing a tendency to follow rather than lead. In this context, understanding the landscape of active players, available funding pathways, and maintaining a physical or relational presence on the ground becomes essential for navigating complexity and enabling more strategic, confident investment.





“A hands-off approach doesn’t work. Don’t underestimate the importance of spending time in and committing to your market. By being there, you’ll build stronger relationships and partnerships.”

BII



“We encourage Japanese companies to visit these markets, meet founders, and see the potential first-hand. That experience changes minds.”

SBI Holdings

Balancing exit ambitions with Africa’s nascent M&A landscape

Acquisitions within the African ecosystem remain rare. Over the past decade, only 180+ disclosed mergers and acquisitions have taken place, leaving the path to exit uncertain for many funders. While a growing number of exit cases through acquisition support this approach, such as Stripe’s acquisition of Nigeria’s Paystack and BioNTech’s acquisition of a Tunisian deeptech InstaDeep, funders must carefully map the investment journey. This includes understanding the growth models of different ventures and identifying which other investors are likely to participate at different stages.



“Global Brain is heavily exit-focused, in order to consistently deliver high performance as a venture capital firm. Africa’s exit market is still underdeveloped, but we believe building this muscle early is critical—not just for investors, but also for founders, who should be thinking about exit pathways from day one.”

Global Brain



“Exits remain a key challenge in Africa’s startup ecosystem, and as a fund, we must deliver them within a set timeframe. AAIC focuses on healthcare, balancing high-return potential with clear exit pathways. Africa Healthcare Network, a dialysis chain, is a strong example. Its Series B with Africa50, including a secondary transaction, showed that solid returns are possible with a scalable, profitable model. Lapaire, Africa’s largest eyeglass chain, is another promising case already drawing interest from global players.”

AAIC



“One of the biggest challenges for the African startup ecosystem, which is clearly different from the Japanese one, is the lack of exit opportunities. Exits are still tough in Africa. That’s why Africa needs more new options for exits, whether through IPO or M&A, not just in the US or EU, but also in regions like the Middle East or Asia. Cross-regional collaborations is something we as a Japanese VC would like to bring to the table as a unique ‘additionality’ to the ecosystem from us.”

Sunny Side Venture Partners

C | Partnerships and signals

Overcoming these challenges requires working with trusted partners, recognising credible market signals, and using blended finance structures to help de-risk investment and support sustainable engagement in Africa's ecosystem.

Working with trusted intermediaries and local partners helps build investor confidence

Relationship-building, trust, and long-term presence are central to how international funders engage with African markets. As a result, many Japanese funders are actively seeking locally grounded intermediaries to support smoother market entry and provide on-the-ground insights and networks.

For example, Mitsubishi Corporation invested in Novastar as an LP and placed a secondee full-time in the firm's Nairobi office to gain insight and proximity. This reflects a strategic emphasis on building long-term capability through VC partners with deep local knowledge. Several funders also explore ways to work with local and international partners to navigate new or unfamiliar markets through strategic alliances or co-investment vehicles. Local funds and intermediaries that are visible, credible, and well-connected within the ecosystem are especially well-positioned to attract interest and provide a trusted bridge for Japanese capital.



“African risk profiles are spiky. The best mitigant to even out that risk is working with deeply experienced, best-in-class partners who truly understand their markets and sectors. They are likely to have gone through multiple cycles, and are best placed to navigate local challenges.”

BII



“As a private equity firm, Verod wasn't set up to handle early-stage venture deals directly. Partnering with Kepple Africa Ventures made sense because of their deep experience in multiple sectors and their ability to channel Japanese capital into African innovation. Together, we combined Kepple's early-stage expertise with Verod's growth-focused, hands-on approach to create a model that can better support African startups.”

Verod



Japanese funders react to signals from peers, drawing confidence from early mover activity

First-mover funders play a crucial role in validating markets and opportunities. When a strategic investor enters a market or fund, it generates wider interest and attracts others to follow. This collective dynamic lowers the barrier to entry for subsequent funders, who are more likely to engage once peers have already demonstrated their commitment. Several Japanese funders are also strategically entering the African market with a first-mover mindset, aiming to attract follow-on funding. This is often driven by large trading houses or corporations with the means and capacity to act independently.



“Global Brain places importance on co-investing in the African market alongside experienced lead VCs who provide capital and strategic support. In the BPS deal, for example, Partech acted as lead, which enabled us to conduct the necessary due diligence and proceed with our investment as a follow-on investor.”

Global Brain



“The model for us is clear: invest early, partner deeply, and bring in other Japanese institutions to follow.”

SBI Holdings



Innovative funding models are key to de-risking investment and scaling African climate innovation

Success often depends on deploying capital through phased or flexible strategies, rather than relying on one-size-fits-all approaches. As reflected by BasiGo, Moove, and Moniepoint above, different types of products and stages of growth require tailored funding approaches. Early-stage businesses, particularly those developing asset-light fintech or e-commerce solutions, are often well-suited to equity financing. In contrast, asset-heavy models such as solar energy or mobility require alternative instruments like debt or blended finance. As funders bring different mandates and mechanisms, identifying the right entry point also involves understanding where to position along the value chain and mapping where other investors are already active. Beyond the funding model, other value-add considerations, such as technical assistance, strategic partnerships, and policy engagement, can help both founders and funders improve the effectiveness and long-term impact of their investments.



“Our strategy is about more than capital – we invest for partnership, working closely with funds like Novastar to co-create solutions and gain local insight. The relationship is not limited to capital. It also includes knowledge exchange, introductions, and joint problem-solving.”

MOL



“JICA supports early-stage companies through ecosystem-building initiatives like Project NINJA and the Homegrown Solutions Accelerator with AUDA-NEPAD. The main purpose of these programmes is to support product-market fit through grants and business development support. We also try to mobilise promising startups into Japan for matching with Japanese investors.”

JICA



“Our role is to de-risk early and high-risk investments to enable participation from commercial players from Japan and elsewhere. In one fund, for example, GCF capital was used to underwrite only the early-stage tranche – leaving commercial investors to join in later, once ventures had demonstrated traction. This timing-based risk-sharing has proven more attractive to Japanese institutions than pari passu models that do not adequately address loss scenarios.”

Green Climate Fund

Public-private partnerships can play a central role in catalysing funding

DFIs often reduce the risks of investing in Africa’s emerging markets, helping to attract private and international investors. By sharing risk, DFIs address challenges that individual funders may be unwilling to take on. Their collaboration with VC firms and other international partners often results in blended finance structures that support more sustainable investment in complex markets.

A key element of these partnerships is the provision of patient capital from DFIs and long-term LPs, which eases pressure on local funds and founders, and gives them time to develop sustainable business models capable of withstanding market challenges and delivering lasting impact. Data from Briter shows that a large proportion of funds in Africa, both local and international, rely on some degree of DFI investment.



“DFIs like BII and JICA are essential for de-risking Africa. Their rigorous due diligence gives us the confidence to invest, and co-investing alongside them opens the door for more Japanese capital.”

SBI Holdings



“Many high-potential projects in Africa struggle to secure funding due to weak bankability. The pre-investment groundwork, such as feasibility studies, safety assessments and regulatory compliance, are often overlooked by commercial investors, but is critical for risk mitigation. This is where DFIs like JICA and BII play a vital role, bridging the viability gap through early-stage de-risking and catalytic capital.”

MOL



“Institutions like BII and JICA can play a critical shepherding role, setting up co-investment platforms, exchange initiatives, and guiding capital to where it can be most effective. These kinds of partnerships help de-risk entry for new investors while giving African startups access to global expertise and support.”

Verod

Africa-Japan ties are evolving to more two-way synergies

Both data and conversations with funders show that investment and business activity linking Japan and Africa is on the rise. Beyond traditional venture capital, African entrepreneurs and innovations are gaining visibility and opening new opportunities in Japan. This expanding exchange has mutual benefits, supporting collaboration built on the strengths and market potential of both regions. As funding approaches and investor relationships evolve, the next decade points to a more defined phase, marked by clearer signals, stronger synergies, and more strategic partnerships.



“Beyond infrastructure, we’re investing in human capital. Our labour mobility programme between Kenya and Japan addresses youth unemployment and workforce gaps, showing that strategic investment must be both long-term and multidimensional.”

MOL



“SMBC Venture Capital selectively supports these entrepreneurs, expecting the growth potential in several markets in Africa. For instance, they recently made our second investment in 2025 with a stake in HAKKI AFRICA, a Japanese-headquartered company solving mobility challenges in Kenya and other Global South countries. This investment is the inaugurated impact investment for the entire SMBC Group.”

SMBC



The partnership between Verod and Kepple is also symbolic of a generational shift. Ory Okolloh, a partner at the fund, recently became the first African woman to join the board of a Japanese company. “It’s a way of educating Japanese investors about the future”, she said. “If the first point of contact is someone like me, it shifts perception.”

**Verod-Kepple
Africa Ventures**



6

Unlocking Japanese capital in Africa's innovation ecosystem



Japan is showing interest, but conviction takes time, and trust-building is key

Over the last decade, Japan has moved from curiosity to experimentation in the African investment landscape, yet most capital has entered by 'dipping a toe' rather than taking the plunge. Large one-off cheques (e.g., SoftBank in OPay) dominate the totals, while a long tail of Seed-size bets signals an ecosystem feeling its way forward. The pattern says less about appetite than about managing risk. Investors want proof points, local allies, and internal consensus before increasing their exposure.



Strategic logic outweighs pure venture logic

For many Japanese corporates and trading houses, an African ticket can serve multiple purposes: supply-chain diversification, ESG targets, future export sales, and talent pipelines. The wider corporate apparatus can operate at a different velocity compared to VCs but, once aligned, can anchor with larger funding and patient capital.



Intermediaries are the decisive factor

The single most reliable predictor of Japanese activity is the presence of a trusted conduit, as shown by names such as Novastar Ventures, Verod-Kepple, or Mobility 54. Historically, trust has often coincided with DFI-backed vehicles, bridging the cultural gap between Africa's high-context, relationship-first markets and Japan's process-driven boardrooms. Where such brokers are absent, capital stalls; where they are strong, syndicates form quickly and bring in follow-on money.



Concentration hides blind spots

Countries like Nigeria and Kenya still capture the lion's share of funding, due diligence templates exist, and exits, though few, have happened. This, however, can mask emerging corridors for investment: Francophone West Africa's fintech rails, North Africa's greentech clusters, and secondary cities building mobility and logistics hubs. Recent investments beyond the 'big four' show that Japanese investors are open to capturing overlooked opportunities.



Cultural distance, not just market risk, shapes hesitation

Interviews routinely highlight soft barriers: time-zone delays that slow due diligence, language gaps that make pitches unclear, and global company structures where Africa lacks an internal ambassador. These frictions often make risk perceptions (such as currency or regulation) feel bigger, prompting many Japanese investors to co-invest rather than taking the lead. Initiatives that reduce cultural friction, such as staff exchanges, bilingual data rooms, and on-the-ground visits, can help build trust and speed up deals.



Value-add is the differentiator that founders notice

African entrepreneurs praise Japanese partners when they show up with toolkits, not just term sheets – like equipment access that cuts capex, corporate and structure operational support, or off-balance-sheet asset finance that matches revenue realities. Conversely, hands-off, purely financial investors often get lost in the crowd. Founders have plenty of choices for passive capital. A strong competitive edge lies in translating Japan's expertise (such as in manufacturing and logistics) into African operating contexts.



Triangulation with DFIs as an impact multiplier

Combining a development finance lens with Japan's industrial heft can prove greater than the sum of its parts. Joint roadshows help build confidence, blended-finance stacks align different hurdle rates, and shared LP positions create a pool of knowledge for both sides to use. Scaling this approach can normalise larger, later-stage rounds and ease the path to exits, currently the ecosystem's weakest link.



The window for first-mover advantage is closing

US, European, and Gulf investors have been setting up Africa-specific vehicles for decades, and domestic funds are maturing quickly out of the need to mobilise local capital and limit dependency on overseas investors. If Japanese funders do not aim at taking a leading role, they risk locking themselves into minor syndicate positions and missing the chance to shape standards, governance, and pipelines. Early leadership, especially in climate infrastructure, mobility finance, and health supply chains, would secure long-run strategic options far beyond immediate financial returns.



A UK-Japan partnership can build long-term capabilities, not just deploy capital.

With London's position as a global financial hub and Japan's long-term investment approach, collaboration enables shared learning, risk mitigation, and deeper market insight. The growing role of Japanese investors in UK-based funds, together with the London Stock Exchange's efforts to support African listings, creates a strong foundation. As momentum in the VC space continues to build, there is a growing opportunity to align across a wider set of strategic and shared objectives.



7

Key findings for future Japanese investment in Africa

Japan has the opportunity to deepen its relationship with Africa over the next few decades, both as a source of capital and as a long-term strategic partner for businesses, investors, governments, and the surrounding ecosystem.

For funders looking to explore new opportunities, Africa combines commercial potential with the opportunity to create a meaningful impact, particularly in high-growth, innovative sectors such as cleantech, healthtech, fintech, mobility, and other digital services.

To support the next wave of Japanese investment in Africa, this report draws on the interviews conducted in this report to offer three key recommendations:

1 **Take a long-term approach, backed by insight.** Success in Africa often depends on understanding local market dynamics – the people, the policy environment, and the pace of innovation. Building that insight takes time, especially during periods of uncertainty, but it's essential for creating meaningful and mutual value.

2 **Explore different funding pathways.** Japanese funders should consider various entry points depending on their mandate and risk appetite. This could include corporate partnerships, LP positions in local funds, or even direct investments. Each route has different advantages, and trusted local relationships are key to success. Founders who can articulate how a partnership supports a company's wider goals are more likely to build stronger interest than those focused only on financial returns.

3 **Partnerships can bring scale and credibility.** Working with local and international partners such as fund managers, DFIs, accelerators, and corporates helps reduce risk, improve pipeline access, and increases market understanding. Joint UK-Japan efforts in particular offer complementary strengths and can support a coordinated, long-term approach to strengthening Africa's innovation landscape.



8

Appendix

Glossary of terms

| Term | Description |
|--|---|
| Asset finance | A financing model that enables companies or individuals to access income-generating assets, such as vehicles, equipment, or machinery, without needing to pay the full cost upfront. Common structures include lease-to-own or subscription models, which are particularly relevant in African markets. |
| Blended finance | An approach combining concessional (often public or donor-backed) capital with commercial investment to de-risk early-stage or high-impact ventures. In Africa, it is often used to attract private capital into sectors such as climate, health, or agriculture by layering funding instruments (e.g., first-loss guarantees, junior tranches) to shift the risk-return profile. |
| Corporate Venture Capital (CVC) | Investment by large corporations into startups or early-stage companies, typically via a dedicated arm. Unlike traditional venture capital, CVCs often seek strategic alignment, such as testing new markets, accessing innovation pipelines, or supporting future supply chains, alongside financial returns. In Japan, CVCs play a leading role in cross-border venture capital activity. |
| Development Finance Institution (DFI) | Government-backed financial institutions providing capital to private sector projects in developing economies to promote sustainable economic development. DFIs, such as BII or JICA, often act as anchor investors, providing patient capital, risk mitigation, or technical assistance in sectors or regions underserved by commercial capital. |
| Equity Financing | A form of investment where capital is exchanged for ownership shares in a company. Investors benefit if the company grows in value, typically realising returns through exits such as acquisitions or IPOs. Equity is the dominant financing instrument in Africa's venture capital ecosystem, particularly at the early and growth stages. |

| | |
|--|--|
| Growth Stage | The phase in a company's lifecycle where it has moved beyond product validation and is focused on scaling operations, expanding into new markets, or building infrastructure. Growth-stage companies typically require larger funding rounds (e.g., Series A and beyond) and are expected to show traction, revenue generation, or unit economics. |
| Memorandum of Understanding | A non-binding agreement outlining the intention of two or more parties to collaborate. It sets out mutual understanding and preliminary terms of engagement, but does not create legal obligations. MoUs are often used as a first step in Japan-Africa partnerships before formal investments or joint ventures are agreed. |
| Simple Agreement for Future Equity (SAFE) | A flexible investment instrument where an investor provides capital in exchange for the right to receive equity at a future priced round, typically at a discount. SAFEs are widely used in early-stage African startups as they avoid complex valuations and legal costs while enabling quick fundraising. |
| Venture Debt | A form of non-dilutive financing provided to startups that already have venture capital backing and predictable revenue. It helps companies to raise additional working capital without giving up equity, though it typically includes interest payments and covenants. In African markets, venture debt is increasingly used by capital-intensive startups in mobility, cleantech, and logistics. |

Sector taxonomy

| Sector | Description | Products |
|-------------------------------|--|---|
| Agriculture and Agtech | Innovations that enhance agricultural productivity and access to markets. | Animal feed, market access, agricultural inputs, agricultural produce, commodity exchange, health and natural foods, farm management, irrigation, pest detection, precision farming |
| Big Data and Analytics | Tools for collecting, analysing, and interpreting large sets of data. | Consumer analytics, data analytics |
| Cleantech | Technologies that reduce environmental impact and promote sustainability. | Solar energy, solar home kit, energy management, waste to energy, bio material, organic waste, gas and cooking equipment, electric vehicles, wind energy |
| E-commerce | Online platforms facilitating the buying and selling of goods and services. | Online retail, online marketplace, B2B commerce, marketplace for agricultural inputs, marketplace for agricultural produce, fashion, classifieds |
| Education and Edtech | Technologies that enhance learning, teaching, and education delivery. | e-learning, massive open online courses (MOOCs), teacher training, training, bursaries, professional skills development |
| Entertainment | Digital and interactive media for entertainment | Gaming, streaming, music, fan app, sport tech |
| Fintech | Technology solutions for financial services including payments, banking, lending, and investing. | Accounting, payments, banking, credit, savings, microcredit, neobank, remittances, currency exchange, financial API, personal finance, investment platform, e-wallet, buy now pay later, payment gateway, on-demand pay, digital assets, decentralised finance (DeFi) |

| | | |
|-------------------------------------|--|--|
| Healthtech | Innovations that improve access, efficiency, and quality of healthcare and medical services. | Telemedicine, medical delivery, e-pharmacy, medical clinic, health management, doctor booking, mental health, medical supply chain, emergency services |
| HR tech | Digital tools for managing human resources and payroll. | Payroll, Human Resources |
| Jobtech | Platforms that connect workers with employment opportunities and job services. | Recruitment, Job Boards, On-demand services, Informal work |
| Legaltech | Technology platforms offering legal services or compliance tools. | Legal Services, Anti-Counterfeiting |
| Logistics | Platforms and tools for moving goods and managing supply chains efficiently. | Delivery, Shipping, Transport Management, Logistics Management, Supply Chain Management |
| Marketing | Digital tools for brand promotion, customer engagement, and advertising. | Advertising, Branding |
| Media | Platforms for content creation, curation, and distribution. | News, Social Media, Tech media |
| Mobility | Solutions that improve urban and intercity transportation systems. | Vehicle Marketplace, Public Transport, Electric Bikes, Mechanics & Car Repairs |
| Professional Services | Platforms offering expert business support, training, and operations tools. | Accounting, Customer Services, Professional Skills Development |
| Proptech | Technology solutions for real estate transactions, property management, and finance. | Mortgage, Real estate platform, Rental platform |
| Software | General-purpose and specialised software platforms and APIs. | SaaS, API, Cyber Security, Customer Services, Web Design |
| Telecommunications | Infrastructure and services for communication and internet access. | Smartphones, Wi-Fi, Internet |
| Waste & Water Management | Technologies and services that address waste disposal and access to clean water. | Waste Collection, Recycling, Upcycled Products, Water Access |

Collaborators

This report draws on insights from a diverse group of funders and founders across Japan and Africa. We extend our sincere thanks to everyone for their vision, partnership, and ongoing commitment to deepening engagement between the regions. Their reflections and collaboration have been instrumental in shaping the perspectives and findings presented in this work.

Description

AAIC | Asia Africa Investment & Consulting provides strategic consulting, investment fund management, and talent solutions across Asia and Africa.

&Capital is a Japanese investment firm established by member companies of Keizai Doyukai (The Japan Association of Corporate Executives) and individuals, focusing on impact-driven growth capital for Africa. It has created a GP entity and limited partnerships in Mauritius. The firm connects African startups with Japanese corporates to enable strategic partnerships and investments.

Apollo Agriculture is a leading agri-fintech platform enabling farmers to access the financing, farm products, digital advice, and risk management solutions they need to increase their profits and farm more sustainably.

BasiGO is a Kenyan e-mobility startup providing electric buses and charging infrastructure for public transport.

Global Brain is one of the largest Tokyo-based VCs with over 150 team members, and AUM \$2.3B+, and 21 CVC funds under management. GB was founded in 1998. GB has made successful exits; 38 IPOs and 80 M&As primarily in Japan and the US. The firm began investing in Africa in 2021 and has backed five startups to date.

Green Climate Fund is a global climate finance institution supporting low-carbon, climate-resilient investments across emerging markets. It serves the 2015 Paris Agreement, supporting the goal of keeping the average global temperature rise below 1.5°C.

Hello Tractor is an agtech company connecting smallholder farmers to tractor services through a digital booking platform.

M-KOPA is a fintech platform providing affordable smartphones and digital financial services.

MAX.ng is a mobility and fintech platform offering transportation, vehicle financing, and delivery logistics across Africa.

Mitsubishi Corporation is an integrated trading and investment company that develops and operates businesses across multiple industries together with its global network.

MOL (Mitsui O.S.K. Lines) is a global shipping and logistics conglomerate deepening its involvement in African trade and infrastructure.

MoniePoint is a Nigerian fintech firm delivering essential financial services infrastructure across West Africa.

Moove is mobility fintech company providing revenue-based vehicle financing to drivers and logistics operators across Africa.

Novastar Ventures is a venture capital firm with presence in the entrepreneurial hubs of Nairobi, London, and Lagos, investing in early and growth-stage businesses addressing Africa's biggest challenges.

SBI Holdings is a major Japanese financial conglomerate with a growing interest in African fintech and venture capital.

Sumitomo Mitsui Banking Corporation (SMBC) and SMBC Venture Capital (SMBCVC) are subsidiaries of Sumitomo Mitsui Financial Group (SMFG, collectively referred to as the "SMBC Group"). SMBC is a leading Japanese bank actively expanding its presence in sustainable finance and development across African markets.

Sunny Side Venture Partners is a venture capital firm focused on early-stage investments across Africa and the Middle East, supporting innovative startups with capital, strategic guidance, and cross-regional networks.

Verod is a leading private equity firm operating in Africa.

Verod Kepple Africa Ventures is a joint venture fund between Verod and Kepple Africa Ventures linking Japanese capital with high-growth African startups.



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