

Japan as a investor

Japan's Africa business in a new era

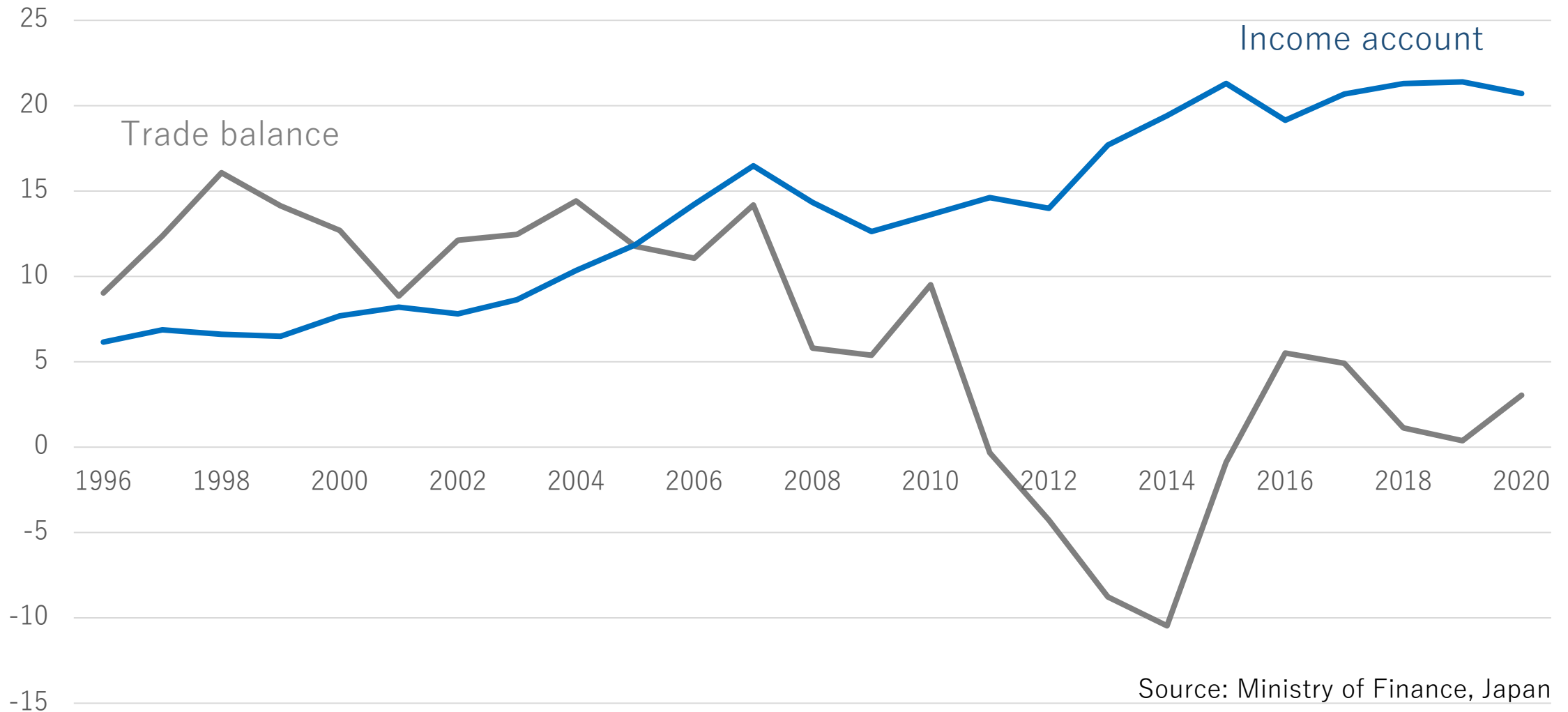
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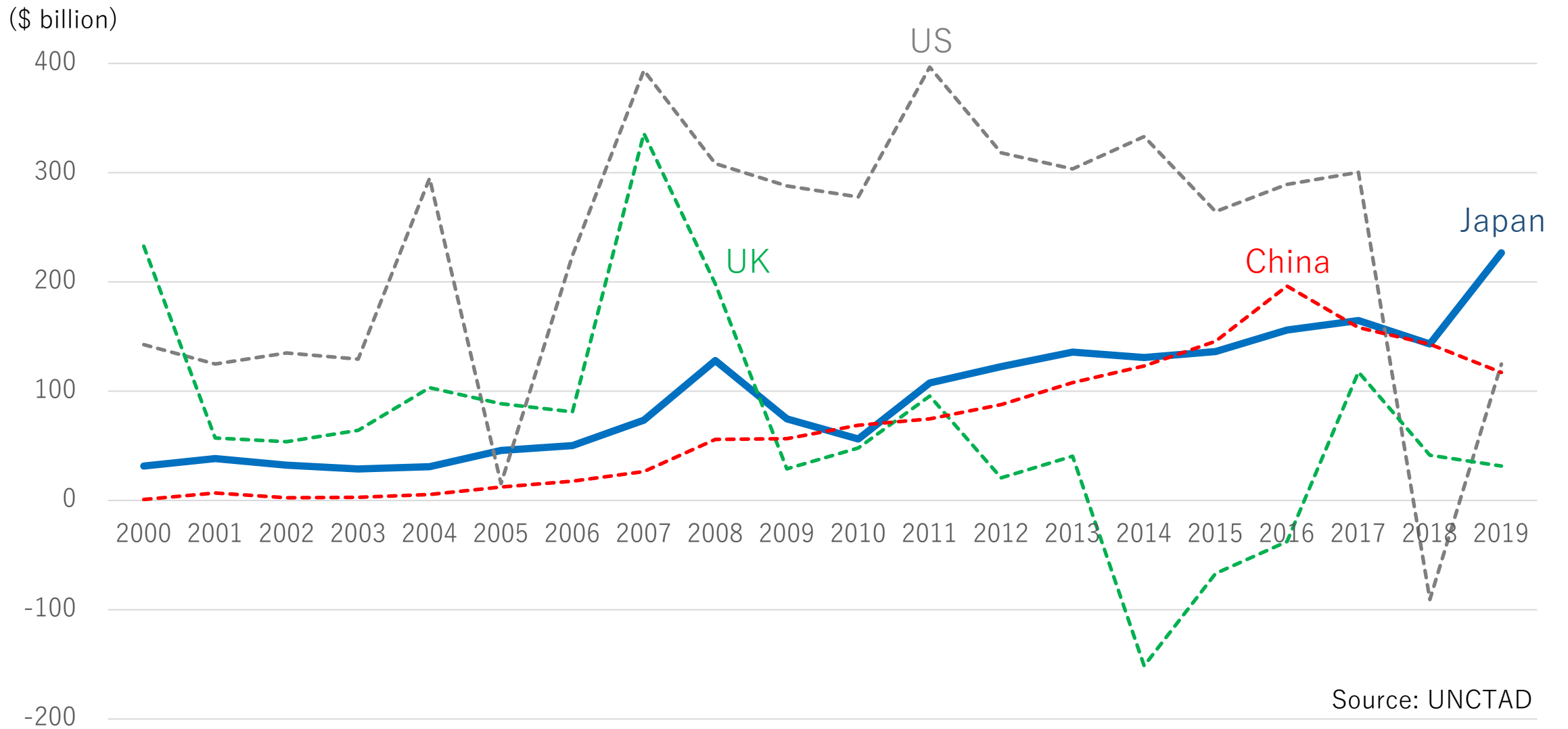
Balance of payments of Japan

(trillion Yen)



Source: Ministry of Finance, Japan

Japan is the biggest FDI provider



Investor Japan

- The mainstay of Japan's international account has shifted from trade to investment
 - world biggest sovereign pension fund (\$1.5tn)
 - SoftBank, the biggest VC in the world
- Therefore, Japan should not miss any investment opportunity in any part of the world
 - but, currently Japanese FDI concentrated in US and East Asia
 - Africa's share is less than 1%
- Japan should challenge a wider range of investment targets with risk management skill

Japanese companies familiar in Africa

- Toyota: automobile
- Komatsu: mining machineries
- YKK: fastening products
- Sumitomo Chemical: anti-malaria net
- Ajinomoto: BOP seasoning
- Shosha: Mitsubishi, Itochu, Mitsui, Marubeni, Sumitomo

Companies entered Africa in this century

- JT International: M&A of RJRI(US), Gallaher(UK)
- NTT: M&A of Dimension Data(South Africa)
- Kansai Plascon: M&A of Freeworld Coatings(South Africa)
- Toyota Tsusho: M&A of CFAO(France)

New approach to Africa business

- Deriving a half of profits outside Japan
- Capital participation, JV, M&A
with African multinational companies
with third parties
- Accommodating non-Japanese directors
access to global human-resources

Startups in Africa

- Japanese VCs searching good targets
SoftBank Vision Fund, CVCs
independent VCs based in Africa
- Requirement of different viewpoints on African market than
GDP, economic growth, country-oriented eye

As to IT and AfCFTA

- Hitachi Lumada @US: IoT
- NTT Dimension Data, NEC XON @SA: IT solution
- Toppan FaceTech @SA: ID business
- Collaboration of SoftBank and Smart Africa @Kigali
- Clean hydrogen energy
- AfCFTA

possibility of continental-wide mega-corporation