

# NORTH ASIA

AVCJ private equity and  
venture capital report

**SAMPLE**

2022

18<sup>th</sup> annual edition



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# Assets Under Management and M&A

## North Asian seesaw



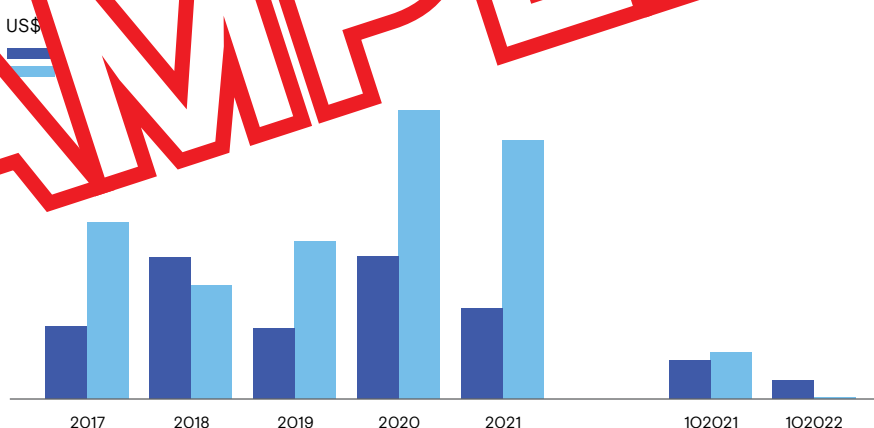
After five years oscillating around \$5 trillion, Japan's total annual GDP fell back very slightly in 2021, to almost \$4.94 trillion. Private equity investment accounted for 0.6% of this, up from 0.26% in 2020. As with many other areas, South Korean GDP also rose faster than Japan's, up to almost \$1.8 trillion in 2021 from 2020's just over \$1.63 trillion. Private equity in South Korea contributed 1.95% to the 2021 total, up from 1% in 2020.

# Fundraising

## Reduced raising

Total private equity funds raised for Japan in the full year of 2021 amounted to just over \$7.58 billion, 36.8% down in 2020's slightly under \$12 billion, with another \$1.54 billion raised in the first quarter of 2022. South Korea saw just over \$21.65 billion raised in 2021, some 10% down on 2020's \$24 billion, with just \$121 million raised in the first quarter of 2022.

North Asia - New Funds Raised in Private Equity



Source: AVCJ Research

Largest North Asian fund closing in the entire period under review was for South Korea's Anchor Equity Partners Fund IV, which closed at \$1.6 billion against its \$1.5 billion target. Second largest was the Bain Capital Japan Middle Market Fund, which closed at just over \$1 billion versus its \$941.3 million target, followed by Japan's SBI 4+5 Fund, which closed at \$911.7 million against its \$947.2 million target. These funds also were, respectively, the first, third and second largest in North Asia by target size during the period under review.

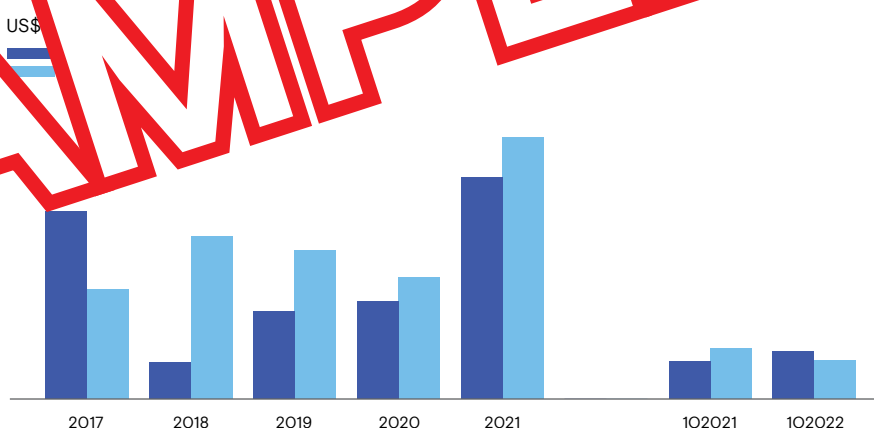
Top North Asian funds still in the market during the period under review were Japan's JP Investment No.1 Fund, launched in February 2018 with a target of just over \$1.1 billion, and \$838.6 million closed to date, followed by the Japan Industrial

# Investments

## Dynamic deal flow

Private equity investments in Japan jumped to almost \$29.7 billion in 2021, from 2020's just over \$13.1 billion, a 126.2% increase, with just over \$6.35 billion added in the first quarter of 2022. South Korea also saw a significant increase with just over \$35 billion in 2021, up 115.5% from 2020's \$16.3 billion, with an additional just over \$5.2 billion in the first quarter of 2022.

North Asia – Private  
Equity Investments Made



Source: AVCJ Research

In terms of investment by stage, buyouts extended their lead in Japan in the period under review, rising from just over \$8.2 billion in value in 2020, or 62.5% of the annual total, from 60 deals, 18 disclosed, to over \$23.66 billion in 2021, or almost 80% of the total, from 79 deals, 28 disclosed, and continuing to just over \$3.35 billion in 1Q 2022, or 52.8% of the quarterly total, from 23 buyouts, 3 disclosed. In second place as usual, expansion and growth capital deals went from just over \$2.16 billion in 2020, or 16.5% of the annual total, from 363 deals, 251 disclosed, to just over \$4.1 billion in 2021, or 13.8% of the year's total, from 367 growth deals, 218 disclosed, and continuing to \$2.39 billion in 1Q 2022, or 37.6% of the quarterly total, from 102 growth deals, 57 disclosed. No other investment stage rose above low single figures as a percentage of investment value during the period under review.