

SBI Holdings and Novastar Form US\$80 Million Landmark Partnership to Catalyze Japanese Investment in Africa

Partnership marks the largest single commitment from a Japanese investor into African VC

November 02, 2023 (London and Tokyo): SBI Holdings, one of the largest venture capital (VC) groups in Japan, has forged a strategic partnership with Novastar Ventures, one of the first and largest VC investors in Africa.

The strategic partnership takes the form of a \$40 million multi-fund investment by SBI Holdings to anchor Novastar's upcoming funds. SBI Holdings will also help to mobilize matching commitments from Japanese institutional investors to Novastar's funds. Leveraging its experience and presence in Africa, Novastar will facilitate co-investment opportunities and share market knowledge.

SBI Holdings will invest to take a minority stake in Novastar, providing growth capital to develop the Novastar platform. Novastar and its investment process will continue to be managed and controlled by its four Partners, with SBI Holdings taking one non-executive seat on Novastar's Management Board. Riki Yamauchi will join Novastar's investment team to lead delivery of the partnership objectives. Following an investment banking career in Tokyo, Riki re-located to Nairobi in 2022 to support Japanese investors with opportunities in Africa.

Yoshitaka Kitao, Representative Director, Chairman, President & CEO of SBI Holdings, Inc. said: "With its rapid growth, young and tech-savvy population, abundant natural assets and increasing urbanization, Africa is poised for global leadership on sustainable development. We recognise Novastar as the leader in African VC and look forward to building a new, trusted bridge between Japan and Africa for financial and strategic investment, knowledge transfer and innovation learnings. This partnership will leverage Africa's megatrends for the mutual benefit of Japanese investors and African businesses."

Steve Beck, Co-founder and Managing Partner at Novastar, said: "When Novastar launched nearly 10 years ago, there was no VC asset class in Africa. Since then, venture funding to start-ups on the continent has increased more than 20-fold, exceeding \$5 billion in 2022. While that growth is exciting, African VC is just getting started. Together with SBI, we see an opportunity to harness Africa's development path to planet-positive, inclusive business models that leapfrog the polluting practices of the past and set us on track towards a sustainable and just future. Realising this opportunity requires the capital, technology and long-term mindset of corporate Japan and other mature economies."

Since inception, Novastar has raised over \$200 million from global institutional investors and is currently investing from its second fund. Its portfolio companies have created lasting social value for over 50 million everyday consumers, producers and employees with nearly 35 million of them living on \$6 per day or less. Alongside social value, Novastar's portfolio

companies have generated significant environmental value – removing and avoiding greenhouse gases, improving soil health and enhancing biodiversity.

Abi Mustapha-Maduakor, CEO at AVCA - The African Private Capital Association said: “As leading VCs in their respective territories, it is deeply encouraging to see this new scale of collaboration between the Japanese and African venture ecosystems. Africa has huge potential to harness its demographic dividend and natural assets for the good of its young, growing population and to make sure it is leading the global transition to green growth, but it needs patient capital to do so.”

Novastar has backed revolutionary businesses transforming entire sectors and generating significant social and environmental value. Among these are: Moniepoint - Nigeria’s leading business bank that was ranked 2nd on the Financial Times’ 2023 list of Africa’s fastest-growing companies, BasiGo – Africa’s largest electric bus platform and mPharma – the leading healthtech company improving access to affordable primary care and the largest operator of community pharmacies in Sub-Saharan Africa.

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ABOUT NOVASTAR VENTURES:

Novastar Ventures is one of the first and largest VCs in Africa, backing businesses that are transforming markets and sectors since 2014. From the vibrant centres of Lagos, Nairobi and London, Novastar partners with the bold entrepreneurs building businesses that create financial, social and environmental value for the many, not just the few, for people and planet - for good. Since inception, Novastar has raised over \$200 million from global institutional investors and is currently investing from its second fund.

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Visit www.novastarventures.com or follow us on [LinkedIn](#) to find out more.

ABOUT SBI HOLDINGS:

Established in 1999 as a pioneer of Internet-based financial services in Japan, the SBI Group is a comprehensive Internet financial group that operates globally, encompassing five core businesses: “Financial Services Business,” such as securities, banking and insurance businesses; “Investment Business,” which is engaged in private equity investment including venture capital investment; “Asset Management Business,” that provides various asset management related services; “Crypto-asset Business,” which operates crypto asset trading and exchange services; and “Non-financial Business,” which includes business activities related to biotechnology, healthcare and medical informatics, Web3, and new overseas markets.

For more information, please visit <https://www.sbigroup.co.jp/english/>

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