

# Go for a moon shot and create a new industry, a profile of Kepple Africa Ventures

*With #QVCS, Maddyne profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Ryosuke Yamawaki, General Partner at Kepple Africa Ventures.*

Temps de lecture : minute

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Takahiro, Satoshi, and I established Kepple Africa Ventures in 2018, focusing on pre-seed and seed investment. At the time, there were almost no venture capitals concentrating on seed investment, and we felt that we could fill the gap. We set East Ventures as a benchmark since they were generating high returns by implementing a similar strategy in Southeast Asia. In February 2022, we established Verod-Kepple Africa Ventures (JV between Verod Capital Management and Kepple Africa Ventures), focusing on series A investment.

So far, Kepple Africa Ventures has invested in over 100 companies in 11 African countries. Verod-Kepple Africa Ventures has raised \$43M for its first fund and invested in 8 companies.

## Which industries are you working in?

We are industry-agnostic and can invest as long as the company runs a technology-enabled business. We invest in three types of companies: infrastructure (businesses that play a role in social infrastructure), inefficiency solvers (businesses that improve business efficiency), and

market creators (businesses that respond to new consumption trends). When investing, we take into account the social economic conditions and changes.

## What do you look for in a founder?

We don't set a specific guideline as a fund. Personally, I look for a balance between smart and stupid. Smart refers to people with a high ability to analyse and see things objectively. Stupid refers to people who are not afraid of risks and stick with a preposterous vision. Unlike smart, stupid is more like an inborn trait. Africa faces numerous business issues, which might lead founders to prioritise smartness, becoming overly realistic, or focusing solely on small achievements. I appreciate founders who can set forth what society should be like with a bold vision.

## Can you talk about your current portfolio?

Based on the three types of companies we invest in, Nigerian shared mobility bus-hailing company, Shuttlers, is a good example of infrastructure. In Africa, buses are mainly operated by individual drivers, and the service quality can be low. For instance, these buses might not be punctual, and the interiors could be dirty. Shuttlers allows passengers to travel comfortably by reserving seats beforehand.

Julaya, a B2B Neobank for French-speaking West Africa, is an example of an inefficiency solver. The region has numerous mobile money operators with no dominant player. Each consumer uses a different mobile money service, which forces merchants to hold multiple bank accounts (since each mobile money operator requires a separate bank account for receiving money). Retailers, like coffee shops, appreciate Julaya because it enables them to integrate into one bank account, simplifying cash management.

Nawy, Egyptian digital real estate broker, acts as a market creator. Although there are online real estate marketplace platforms, the transaction needs to be handled offline by the agents listed on the platform. Some small real estate agents may post properties on the marketplace that they have no intention of selling, merely to attract potential buyers. Nawy solves this problem by facilitating direct sales to buyers. What sets Nawy apart is its developer license, which allows them to sell newly built properties from reliable developers. While the income of Egyptian people is rising, there is a significant risk associated with holding income in cash due to high inflation and currency devaluation. Therefore, real estate is considered an ideal asset, and Nawy's service aligns well with the social economic needs in Egypt.

## What does the future look like?

It is evident that Africa will become one of the most important markets globally, given its projected population growth. At present, the region lacks adequate basic services such as real estate, insurance, and manufacturing, which will be crucial as the population increases. This creates significant opportunities for new services to emerge.

Africa's startup investment market is experiencing a remarkable boom, probably surpassing the growth rate of the actual economy. The amount of startup investment in Africa is approaching the level seen in Japan's market. However, the exit market for startups is not yet well-established. In countries like Japan, startups have the option to be listed even with a small market cap, while in the US, active M&A markets allow startups to exit through buyouts. On the other hand, Africa has few examples of IPOs or M&A activity. We would like to witness more African companies listed in overseas markets with continuous share price increase supported by strong fundamentals. This is in line with their responsibility to stakeholders.

While Africa is undoubtedly attractive in terms of demographics, the market is currently being tested to determine if it will be a long-term market darling for startup investors.



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## What makes Kepple Africa Ventures different?

We prioritise true value addition. Given the venture capital business model, it's challenging to be fully hands-on. However, in a complex market like Africa, a hands-on approach is essential. While venture capitals cannot achieve the same depth of management involvement as private equity firms, a deep understanding and multifaceted support are still necessary. We partnered with Verod Capital Management to

strengthen our back office functions and provide ample support to our portfolio companies. For example, we have ESG specialists who offer advisory support on environmental, social, and governance matters. It is also our responsibility to help our portfolio companies collaborate more effectively with large Japanese firms, who are also our LPs (Limited Partners).

## What one piece of advice would you give founders?

“Go for a moon shot and create a new industry”. The philosophy of Kepple, Inc. (Japan-based company involved in investment, fund management support, and open innovation support business run by Takahiro Kanzaki, Co-founder/General Partner of Kepple Africa Ventures) is to "Create New Industries," and Kepple Africa Ventures is aligned with that vision. We aim not only to provide financial support to companies but also to collaborate in establishing new industries in Africa. Don't be small, be stupid!

Ryosuke Yamawaki is General Partner at [Kepple Africa Ventures](#).

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