＜Israeli Investment Fund＞

Why did the CEO visit Japan now? Calling for investment in military tech ventures amid Japan's defense spending increase ... Viewing Japan as promising on the global stage

Norihide Miyoshi: Journalist (Dec 01, 2025)

The technology behind the venture that created the laser interceptor system "Iron Beam"
(Photo: Israel Defense Ministry/Reuters/Aflo)

Edouard Cukierman, CEO of Israel's leading investment bank Cukierman & Co., has arrived in Japan to pursue partnerships with Japanese investment funds. With the ceasefire in Gaza taking effect, he sees promising investment opportunities leveraging Israeli startups' strengths, such as the civilian application of military technology, and is poised to attract investment from Japan.

Founded in 1993, Cukierman & Co. has established funds totaling $10.8 billion (approximately ¥1.7 trillion at ¥157/dollar) and facilitated corporate mergers, making it Israel's largest investment bank. In 1999, it established the venture capital firm Catalyst Investments. It invested early in Mobileye, the developer of collision-avoidance assistance systems for vehicles, which led to its success.

In 2022, it launched the online investment platform "Catalyst Investors' Club." Its strength lies in a system enabling investors to explore opportunities among 300 Israeli and American ventures.

Why is it seeking investment in Japan now? We interviewed CEO Cukierman in Tokyo on November 20th.

——What is the purpose of your visit to Japan?

Half of Catalyst's portfolio companies are listed on NASDAQ, but the other half are immature startups. The companies we support have solid financial and operational foundations, and there is significant room for them to operate in Japan. We want to open an office in Japan and recruit investors.

This time, ten Israeli VCs came to Japan together. Hosted by the Israeli Embassy in Tokyo, we interacted with Japanese companies and VCs.

We need strategic partners in Japan. While we had productive discussions during this visit, forming partnerships will be a lengthy process. We understand that while Israel seeks quick results, Japan requires time to proceed step by step. However, Japan is a country open to new technologies and ideas.

Like Israel, Japan faces numerous threats.

——What is the significance of Israeli investment funds raising capital in Japan?

Edouard Cukierman／
Managing Partner, Catalyst Investments
Representative, Cukierman & Co. Investment House
(Provided by interviewee)

From a business opportunity perspective, Japan's situation is comparable to Israel's. Many hostile nations surround Israel. In recent years, it has faced seven fronts: Iran, the Gaza Strip, the West Bank, Lebanon, Yemen, and others.

Japan also faces numerous threats, including China, Russia, and the Taiwan situation. I believe Japan has an interest in enhancing its military capabilities. Israel has extensive experience in this regard and possesses a strong background in the military industry in the high-tech sector.

Our fund has invested in the military industry and cybersecurity for the past 30 years.

Yair Shamir, who is in my fund, is the son of former Prime Minister Yitzhak Shamir. He was an air force pilot and served as head of the air force's technical division. Except for three years when he served as Minister of Agriculture, we have worked together as partners for 26 years. He also served as Chairman of Israel Aerospace Industries (IAI), Israel's largest military industrial company.

——What kind of investment platform is this?

It involves 300 Israeli and American venture companies, allowing global investors to invest directly. Using innovative AI methods, it efficiently identifies companies worth investing in. It has covered the investment slump caused by overseas investors being unable to visit Israel directly during the fighting in Gaza.

We want to attract a broader range of investors. We also want to collaborate with banks that have access to reliable investors. We need to expand globally and seek diverse investors. Sophisticated investors understand that it takes time for companies to mature.

In the future, European and Japanese ventures will also participate.

——What has been your involvement with Japan so far?

This is my second visit to Japan. My father, Roger Cukierman, served as CEO of a French bank, President of the French Jewish Community, and Vice President of the World Jewish Congress. He came to Japan in 1957, earned his doctorate with a thesis on the Japanese economy, and was also an expert on Japan. That's why I've always been interested in Japan.

Dual-use laser technology

——What kinds of technologies are promising as investment targets?

Currently, the most common areas for high-tech companies raising funds are AI, cybersecurity, military technology, medical technology, and life sciences. Until five years ago, environmental technology was booming, but now it's agricultural technology. Many companies are driving technological innovation across various industrial sectors that meet Japan's needs.

Catalyst was the first VC to invest in Mobileye, an Israeli startup that developed collision avoidance systems for cars. Israel doesn't have car manufacturers like Japan. However, thanks to Mobileye's success, the automotive technology industry has become robust.

Mobileye was sold to Intel for $15.3 billion. For a long time, it was the most expensive M&A case involving an Israeli company. Since Mobileye's success, Catalyst has actively invested in autonomous driving technology companies, such as Arbe Robotics, a company specializing in autonomous driving radar technology.

Among its recent investments is Civan Advanced Technologies, which possesses the world's most powerful laser technology. This technology was initially developed for the Iron Beam system, designed to shoot down drones and similar threats.

While a $50 drone costs $100,000 to intercept with a missile, a laser shot costs only $2. It was first deployed during the recent Gaza conflict.

Lasers, as dual-use military/civilian technology, can cut steel plates and are used in shipyards and auto manufacturing. Finmeccanica, Europe's largest Italian shipbuilder, reduced its energy costs by 60%.

In this way, Israeli venture capital invested $25 billion in 2021 and continues to pour $10 billion into innovative technologies and industries. This exceeds the combined investment of all European Union (EU) countries. Israel hosts 100 unicorn companies, also surpassing the total number of unicorns across the entire EU.

Reasons for Declining Chinese Investment in Israel

——Isn't China a more promising partner than Japan in Asia?

China was a very active partner of Israel for many years. However, five years ago, the relationship changed for several reasons.

China has deepened its dependence on Russian and Iranian energy. Since China's Belt and Road policy includes many Arab countries, Israel's priority for China has decreased, and investment from China has significantly declined. For Israel, which has deep ties with the United States, the U.S.-China rivalry has also impacted its relations with China.

Looking at investment from Japan, while still modest, its proportion has increased. Before the war, it accounted for 12% of all foreign investment; now it stands at 13%. Regarding the fighting in Gaza, Japan was almost the only country in Asia to support Israel publicly. Israel is highly sensitive to such points and expresses respect for Japan's political leaders.

While the US and Germany are major supporters of Israel, Japan is also appreciated for not becoming hostile during the fighting over the past two years.

——How do you view the political risks surrounding Israel?

The fighting caused many difficulties, such as travel restrictions. However, Israeli companies are not targeting the domestic market. Most operate internationally, and for the mature companies Catalyst invests in, the Israeli market accounts for less than 1%.

Retail and manufacturing are local, but high-tech companies serve customers worldwide. The question is which countries will adopt new technologies.

Japan is the right partner in many fields. Japanese companies excel at turning technology into products and selling them globally. There is complementarity.
Not all technologies match Japan's needs, but in several industries, Israel has much to offer.

——Japan still has a strong aversion to military matters. Won't that hinder defense-related investments?

I understand Japan's military aversion, but both Israel and Japan must address risks.

Israel had to defend itself against Hamas's terrorist attacks. Even in Israel, it's said that where there are two Jews, there are three opinions, and many oppose war. But there is no other choice.

Japan is increasing its defense spending from 1% to 2% of GDP. Given fiscal constraints, cooperation in areas with efficient technologies would be possible.

Israel has developed advanced cybersecurity technologies. While two-thirds of Civan's laser technology products are civilian, defense weapons against missiles and drones may become increasingly critical in the long term.

I joined the army and served as a reserve officer until age 55, handling public affairs and negotiating, including hostage releases. Both my children also served in the military during the fighting in Gaza. A ceasefire was finally reached, but it was a challenging period. I didn't want to send my own children to serve either, but on the other hand, I refuse to let the Holocaust be repeated.

Japan saw fewer anti-Israel protests than Europe

——How do you view the anti-Israel sentiment in Japanese society?

While anti-Israel protests occurred in Europe and other countries, they were fewer in Japan. I appeared in many media outlets, but the European media were extremely hostile toward Israel. While some Japanese, like people in other countries, may harbor resentment, the public tends to be more pragmatic.

——How should we respond to global developments like shifts in the Middle East?

The war impacted Israelis and made fundraising difficult for high-tech companies, which is why the investment platform was created.

On the other hand, hardship breeds opportunity. For instance, companies that were once overvalued now have more attractive valuations.
Therefore, now is a good time to invest in Israel.

The November meeting between U.S. President Trump and Saudi Crown Prince Mohammed bin Salman may present an opportunity for Saudi Arabia to join the Abraham Accords (the August 2020 agreement that normalized relations between the UAE and Israel, followed by Bahrain and others).

Saudi Arabia's shift fundamentally alters its geopolitical position. Iran will have to deal with more pressing issues than fighting Israel.

For Israel, Japan is the right long-term partner. Now is the time to strengthen the relationship between Israel and Japan.