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Japan Pushes Startups to Power the Next Biotech Cycle

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In recent years, the Japanese government has rolled out a series of initiatives to reshape the country's biopharma ecosystem. These include expanded venture funding, targeted subsidies for drug development, and tax incentives for investors, entrepreneurs, and startup employees. With smaller companies and startups widely seen as key drivers of innovation, Japan in 2025 is stepping up efforts to strengthen its startup ecosystem and accelerate the translation of research into products.

The Japanese government has stepped up efforts to strengthen its startup ecosystem, rolling out a series of initiatives aimed at making the country more attractive to researchers, entrepreneurs, and investors. Recent measures include the launch of the J-RISE (Japan Research & Innovation for Scientific Excellence) initiative, designed to draw top scientific talent to Japan, as well as expanded support from the Japan Agency for Medical Research and Development (AMED). The government has committed JPY 350 billion (about $ 2.3 billion) to support startups, with AMED offering matching grants that can double venture capital investments for eligible biopharma companies. These policy moves are being matched by a growing flow of private capital, as biotech-focused venture funds step up their presence in the market.

Rise of biotech funds

Japan has seen a surge in large, dedicated venture funds backing biotech and life sciences in 2025. In July 2025, AN Venture Partners closed its first fund at $200 million, one of the largest Japan-focused biotech funds to date, with a mandate to invest globally while strengthening Japan's biopharma ecosystem.

In the same month, University of Tokyo Edge Capital Partners (UTEC) closed its sixth fund at ¥47 billion ($326 million), bringing its assets under management to more than $1 billion. The fund will back seed and early-stage startups across deep-tech fields including healthcare, life sciences, information technology, and engineering. Founded in 2004, UTEC has built one of Japan's largest deep-tech portfolios, spanning more than 150 companies originating largely from academic research. Its notable successes include PeptiDream, now a publicly listed peptide drug discovery company with a market capitalisation above $1.4 billion, and OriCiro Genomics, acquired by Moderna in 2023 for $85 million.

In October 2025, Fast Track Initiative closed its approximately $130 million Fund IV to support healthcare innovation. Corporate venture activity is also expanding. In December 2025, Olympus Corporation launched Olympus Innovation Ventures Fund II, committing $150 million to invest in MedTech startups developing solutions in gastrointestinal, urology, and respiratory care.

Shared labs and open innovation hubs

A growing network of shared wet labs, coworking research spaces, and open innovation hubs is reshaping how life science startups are built in Japan. By giving early-stage companies access to high-quality laboratory infrastructure, these facilities lower the cost of company formation and reduce dependence on building private labs or navigating university bureaucracy.

In the Tokyo area, the Innovation Center of NanoMedicine (iCONM) operates in partnership with BioLabs, bringing a globally networked incubator model to Japan. Located in Kawasaki, the site houses more than 300 shared pieces of equipment and includes BSL-2 laboratory space.

LINK-BioBAY TOKYO offers modular lab and coworking space operated by BioLabs, Life Science Innovation Network Japan (LINK-J), and Mitsui Fudosan. The site supports early-stage companies through the BioLabs Education Program, which helps startups expand toward the US market, and hosts investor days and matching events to connect founders with partners and capital.

LiSH Lab at Takanawa Gateway has opened as a hub linking startups with researchers, investors, and corporate partners under one roof. SakuLab, created by Astellas Pharma in partnership with BioLabs and Mitsui Fudosan, provides both chemistry and biology bench space alongside mentoring from Astellas scientists. Shonan Health Innovation Park, developed by Takeda, has grown into one of Japan's largest life science campuses. The site combines private and shared laboratories, coworking offices, and structured engagement between startups and established pharmaceutical companies, according to reports from *Merito Network.*

Going global: From Japan to the world

Japan is increasingly building formal pathways to help life science startups expand beyond its borders. Programmes led by Life Science Innovation Network Japan (LINK-J), often in partnership with global operators such as BioLabs, Mitsui Fudosan, and overseas institutions, are designed to help founders gain international exposure, mentorship, and market access. A central example is UNIKORN, LINK-J's global expansion support programme, which helps startups prepare for overseas growth through mentoring, networking, and targeted training. As part of this effort, LINK-J, BioLabs, and Mitsui Fudosan were selected for the Tokyo Metropolitan Government's TIB CATAPULT initiative and launched LINK-BioBAY TOKYO, an incubation cluster aimed at supporting Japanese life science startups in scaling globally. In October 2025, LINK-J also hosted a UNIKORN special event focused on global perspectives, where experienced pharma executives shared practical guidance on how Japanese startups can succeed internationally.

Cross-border infrastructure and partnerships are also expanding. The Bio Garage Initiative, launched by RIVERNESS and Esco Aster, links LiSH Lab in Japan with a BioLab in Singapore, enabling research that cannot be conducted within universities and allowing both sites to operate using harmonised equipment and data standards. Through its venture arm, 144 Ventures, RIVERNESS has also invested alongside Toyo Seikan Group in Singapore-based cell technology startup ImpacFat, strengthening Japan–Southeast Asia biotech ties.

ABVC BioPharma announced a strategy with its joint venture partner BioLite Japan to connect Japanese biotech with Taiwan's capital markets and AI-driven development capabilities. LabCentral, in partnership with Shonan iPark, has launched a new Cambridge-based educational programme for Japanese life sciences entrepreneurs, giving selected teams access to mentors, investors, and the US biotech ecosystem.

Plug and Play Japan, working with the Tokyo metropolitan government's startup support initiative, ran the Rising Biotech Challenge 2025, selecting 12 biotech startups and research projects for mentorship and support aimed at accelerating entry into global markets. These efforts complement broader government and private-sector measures to support the global development of Japanese biotech startups.

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