

# Turning Cutting-Edge University Research into New Businesses

Recent years have seen a striking rise in Japan of moves to set up new enterprises to tap the intellectual property and human resources of universities. Particularly prominent in this regard is the University of Tokyo. According to a survey released by the Ministry of Economy, Trade and Industry (METI) in April 2016, the total number of start-ups launched at universities was 1,773, of which the University of Tokyo accounted for 198, the highest figure for any one university.

To create businesses from research findings and give back to society, the University of Tokyo is actively working to build a support system that includes collaboration with industry, protection and utilization of intellectual property, and nurturing of entrepreneurs. The role of raising funds for these enterprises has been handled by the University of Tokyo Edge Capital Co., Ltd. (Utec), a company that has been approved by the university for technology transfer and has its offices on the university campus.

Utec Managing Partner Tomotaka Goji previously drafted legislation for venture capital funds and then studied at Stanford University in Silicon Valley, where he saw for himself the support mechanisms that operate from the stage of basic research and the scale of the financing power to support start-ups. He wanted to create a venture-capital system that would provide properly functioning support mechanisms for basic research in Japan as well, and for this purpose he involved himself in the founding of Utec in 2004. Since that time Utec has created funds with a total value of JPY 30 billion (USD 261 million) and invested in 75 companies, nine of which have achieved listing on the Tokyo Stock Exchange.

“I sense a change in universities’ attitude to entrepreneurship,” says Goji. “There is a positive cycle in which researchers and students see successful ventures around them and become motivated to start their own businesses. This is encouraged by promotion of start-ups that the Abe administration is conducting as part of its economic strategy, such as through the Nippon Venture Awards for highly innovative new enterprises.”

One company that Utec helped to start up is PeptiDream Inc., which won the second Nippon Venture Award in 2016. The company possesses advanced technology to sequence amino acids artificially and synthesize candidate peptides for new drugs. Other businesses Utec has helped launch from the university include Mujin Inc., which has developed a next-generation intelligent robot controller for the autonomous operation of industrial robots, and Digital Grid Inc., a business in Tanzania that generates power from solar panels and operates a power interchange system to provide affordable and accessible electricity to the people in off-grid areas.

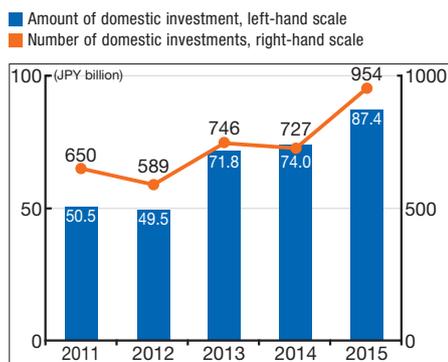
“The strength of Japanese universities is their deep accumulation of basic scientific research,” says Goji. “Our role is to contribute to economic growth by linking that leading-edge science with industry so that it doesn’t languish within the university.”

Utec’s support is not limited to the University of Tokyo. It is also helping to bring together enterprises launched at universities all over Japan and companies from overseas, and Goji is passionate about its mission.

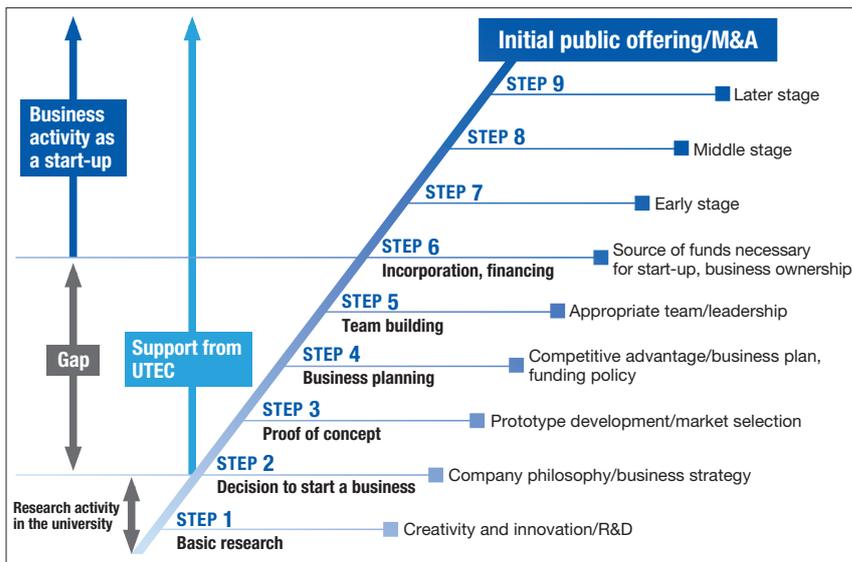
“While the University of Tokyo is the axis of our activities, we want to help bring innovative change to the world with unique technology developed in Japan, making connections between universities, organizations, and countries around the world,” he says.

Note: U.S. dollar equivalents for Japanese yen amounts in this article are calculated at 115 yen to the dollar, roughly the rate at the time of publication.

## Number and amount of venture-capital investments in start-ups



Source: VEC Year Book 2016 (Venture Enterprise Center, Japan).



To create businesses based on scientific research, UTEC involves itself from even before the company foundation stage. In addition to providing capital, it supports companies over the medium and long term, helping to build executive teams and providing management consultation suited to each stage.



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1. Mujin Inc. has developed a next-generation intelligent robot controller with a team of software and robotics engineers from around the world. Its Mujin Controller PickWorker won the Seventh Japan Robot Award in 2016.
2. Digital Grid Inc. is conducting a business that generates power from solar panels and operates a power interchange system in areas of Tanzania lacking electric power. About 1 million people are already using the company's service through this system.

### Tomotaka Goji

Managing Partner and President of the University of Tokyo Edge Capital Co., Ltd. (UTEC). Graduated from the University of Tokyo's Faculty of Law in 1996. Joined the then Ministry of International Trade and Industry, where he worked on drafting legislation for venture capital funds. Earned his MBA from the Graduate School of Business at Stanford University in 2003. Co-founded UTEC in 2004.

