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# Geodesic Raises \$335M for First Growth Fund to Help Startups Expand to Japan

By **Tomio Geron**  
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John V. Roos (left) and Ashvin Bachireddy, cofounders of Geodesic Capital. PHOTO: GEODESIC

A new Silicon Valley venture firm focused on helping U.S. startups expand to Japan has tapped several major Japanese corporations as investors such as Mitsubishi Corp. and Sumitomo Mitsui Banking Corp.

Geodesic Capital, which has raised \$335 million for its first fund, is founded by John V. Roos, a former U.S. Ambassador to Japan and former CEO of Silicon Valley law firm Wilson, Sonsini, Goodrich & Rosati, as well as Ashvin Bachireddy, the former head of growth investing at venture firm Andreessen Horowitz.

Geodesic has already invested in Snapchat, which the firm has previously not disclosed, among other companies.

The venture firm aims to invest in U.S.-based growth stage companies broadly in technology, deploying \$5 million to \$30 million per company. Startups do not have to be immediately expanding to Japan since the firm offers general growth stage advice, but it is an appeal. The firm also plans to expand to other parts of Asia. Recently, startups are moving internationally quicker than before, Mr. Bachireddy said. “The best entrepreneurs always think about their business globally. The thing we’ve seen change is they’re thinking about it much sooner.”

The Japanese market is sometimes overlooked by growth startups, with the prominence of China and India, says Mr. Roos. “It’s the third largest market in the world and an incredibly savvy tech market. To me, Japan is an obvious first country (in Asia). That could be a springboard to the rest of Asia.”

But that is changing. One of Geodesic’s four known portfolio companies, Instart Logic Inc., is looking to expand to Japan. Geodesic led Instart Logic’s \$45 million Series D funding round in January.

Instart Logic, whose technology [speeds the delivery](#) of web and mobile applications, selected Geodesic because of Mr. Bachireddy’s skills with growth companies, said Manav Mital, Instart Logic founder and chief executive. Mr. Bachireddy, while at Andreessen Horowitz, worked with investments including Facebook, Twitter, Box and Airbnb.

Limited partners in the fund include anchor investor Mitsubishi Corp., which recently named a new Chief Executive, Takehiko Kakiuchi, as well as Sumitomo Mitsui Banking Corp., The Bank of Tokyo-Mitsubishi UFJ Ltd., Mitsubishi UFJ Trust and Banking Corp., Mitsubishi Heavy Industries, Sompo Japan Nipponkoa Insurance Inc., Nikon Corp., Development Bank of Japan Inc. and The Toho Bank, Ltd.

Geodesic’s team has helped Mr. Mital set up preliminary moves into Japan, via introductions with potential partners and customers, even though it does not have a local office. “(With Geodesic) we don’t have to take up-front costs to set up an office and a local entity. Once we get enough customers there we can set up a local presence,” Mr. Mital said. “Normally that’s very difficult in a new market.”

Other Geodesic investments are Tanium Inc., an enterprise security startup, and 21 Inc., which provides software and computers designed for the Bitcoin protocol.

While Geodesic is not investing in Japanese startups, the interest from Japan in innovation and startups has been steadily growing. Japan’s startups raised \$1.01 billion in funding from 398 deals in 2015, compared with \$433 million on 267 deals in 2010, according to industry tracker Dow Jones VentureSource.

Geodesic plans to announce Nate Mitchell, previously of Vulcan Capital and Index Ventures, as a new partner based in the U.S. In addition, James Kondo, former chairman of Twitter Japan and managing director of East Asia at Twitter, is a senior advisor at Geodesic.

The firm also plans to announce Geodesic Japan GK, which is headed by Marcus Otsuji, a former senior executive at Apple Japan. Mr. Otsuji is building a team in Tokyo to help companies with all aspects of expansion in Japan, including recruitment, partners, customers and policy. In addition to this local team, Mr. Roos is pitching his high-level contacts with the CEOs of top Japanese corporations and government officials to ease the path for U.S. startups. Mitsubishi Corp. has also agreed to assist Geodesic by working with its portfolio companies.

Mr. Roos was U.S. Ambassador to Japan from 2009 to 2013, and he developed deep ties to Japanese government officials and industry, particularly after working with them after the 2011 Fukushima earthquake. He’s on the boards of directors at Salesforce.com and Sony Corp. After returning from Japan to Silicon Valley in 2013, Mr. Roos became interested in helping startups expand into Japan, using his close ties with large Japanese firms such as Mitsubishi.

While U.S. startups are looking to expand into Japan, large traditional Japanese corporations such as Mitsubishi are also looking to U.S. startups to gain insights into innovation and new technology, as well as new ways of building successful businesses. Mr. Roos has tapped into that interest with Geodesic. The firm is active in introducing or helping LPs to make inroads in Silicon Valley.

“Japan is really interested in Silicon Valley and Silicon Valley companies. They’ve seen the incredible success of, for example, Apple.” Mr. Roos said. “And Japan sees these phenomenal U.S. companies succeed, and they want to learn and want to compete.”

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- Development Bank of Japan
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