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Daiwa Corporate Investment and Main Sequence Ventures Commence Collaboration Toward the Formation of the Japan-Australia Deep Tech Growth Fund “Sakura Fund”

Connecting Australian Breakthrough Innovation with Japanese Industrial Strength for the Next 50 Years of the Australia–Japan Partnership

Daiwa Corporate Investment Co., Ltd. (“DCI”) is pleased to announce that it has commenced collaboration with Main Sequence Ventures (“Main Sequence”), an Australian government-backed venture capital firm, toward the formation of tentatively named “Sakura Fund” (the “Fund”), a Japan-Australia deep tech growth fund intended to invest primarily in Australian deep tech companies.

The Fund is intended to bring together Main Sequence’s network across the Australian deep tech ecosystem — including CSIRO, Australian universities and research institutions — and its expertise in company creation, sourcing, technical assessment and portfolio growth, with the networks of the Daiwa Securities Group, including DCI, across Japanese corporates, institutional investors and capital markets. Together, the parties aim to connect Australian breakthrough technologies with Japan’s industrial capabilities to help build globally leading companies and new industries.

1. Purpose of the Collaboration

Australia’s deep tech ecosystem continues to generate world-class science and translate research into companies. Scaling these technologies into globally competitive businesses, however, requires long-term partners who can support manufacturing, customer development, supply chains and global market entry, alongside growth capital.

Japan brings industrial scale, global distribution and common sovereign priorities — the ability to take a product to mainstream impact. By combining Australian science and entrepreneurial ambition with Japanese industrial scale and global networks, the parties see significant potential to scale leading companies across deep tech sectors, including space, clean energy, food and agriculture, quantum and AI, and healthcare.

2026 marks the 50th anniversary of the Basic Treaty of Friendship and Cooperation between Japan and Australia. Main Sequence and DCI see the Fund as an opportunity to extend that relationship — historically centered on resources, energy and food — into advanced technology and innovation for the next 50 years, and intend to develop the relationship by connecting industry, government and academia across both countries, creating new manufacturing and sales partnerships, plus expansion into third-country markets between portfolio companies and Japanese corporates.

2. Overview of the Fund

The Fund is expected to invest primarily in high-growth Australian deep tech companies at Series B (funding rounds at the business expansion stage) or later, with a clear pathway to global expansion, across investment themes including space, decarbonisation and clean energy, food and agriculture, quantum and AI, healthcare, and industrial technologies.

DCI is expected to form the Fund and appoint Main Sequence as fund manager.

Further details on Fund structure, size and terms will be shared as discussions with prospective investors progress.

3. Comments from the Representatives

Shinichi Seto, President & CEO, Daiwa Corporate Investment Co., Ltd.

“Deep tech will be an important driver of the next wave of growth. Australia has an outstanding ecosystem that produces world-class science and turns those breakthroughs into companies. Japan brings advanced manufacturing, a strong focus on quality, long-term capital, and the ability to transform technology into industry.

By combining Australian technology with Japanese industrial strength, I believe we can create new globally leading companies and industries across space, clean energy, food, AI and healthcare. The Sakura Fund is intended to serve as the bridge that makes this possible.

Bringing together the Daiwa Securities Group’s 124-year history and DCI’s more than 40 years of experience in investment and fund management, we look forward to working with Main Sequence to help build the companies and industries that will underpin the next 50 years of the Australia–Japan relationship.”

Phil Morle, Partner, Main Sequence

“Since 2020, Main Sequence and the Daiwa Securities Group, including DCI, have worked together connecting Australian deep tech companies with leading Japanese corporates. That work has shown how complementary our two countries are — Australia’s pioneering science and entrepreneurial ambition, matched with Japan’s industrial scale, technical excellence and trusted global networks.

We’re proud to support DCI as they lead the formation of the Sakura Fund, and to continue strengthening this partnership at a moment when Australia and Japan are looking toward the next 50 years together.”

For Reference:
Daiwa Corporate Investment Website
https://www.daiwa-inv.co.jp/en/

Main Sequence Ventures Website
https://www.mseq.vc/