

1 December 2022 (No. of pages:1 )

Japanese report: 20 Oct 2022

# Private Equity Market at Turning Point

## US venture ecosystem evolving even during a cold spell

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### Summary

- In August 2022, Masayoshi Son, SoftBank CEO, presented his outlook on the private equity (PE) market: "I expect unicorns will experience the age of the cold winter longer than listed companies do."
- There are many reasons to be pessimistic. Such reasons include stagnant fund-raising activity on the PE market, an accumulation of standby funds, and a decline in net asset value (NAV). The PE market is surely moving from its Golden Age into an age of the cold winter, the bleak prospect of the PE market.
- However, unicorns have transformed the social and economic structure by bringing about great innovation over the past decade. The PE market has played a major role by steadily producing a large number of unicorns.
- Before anticipating and trembling with unicorns' "age of the cold winter," the market participants need to understand objectively and more deeply the roles and the raison d'etre of the PE market. Despite its many structural problems, we should put more value on the participants' effort, especially in U.S., to build highly value-adding platforms by strengthening the venture ecosystem, gaining the confidence of investors, and engaging major asset management companies.

#### Attention

This report is a summary translation. The official document is only in Japanese, included in the DIR Research Quarterly Review (Vol.48).