

Team Sapporo-Hokkaido

Becoming Japan's Green Powerhouse and Green Financial Hub



1 Where is Hokkaido / Sapporo?

Hokkaido, Japan's northernmost island, is blessed with four beautiful seasons and stunning nature. Sapporo is the capital city of Hokkaido, serving as the central hub for business and tourism in the region. The city has a comprehensive air, sea, and land transportation network, connecting it to many areas within Japan and internationally. The New Chitose Airport is 37 minutes by JR train from Sapporo. It operates 24/7, enabling late-night air cargo flights, and has international terminals, Sapporo is about one hour by car to the Tomakomai Port, an international hub port, and 1 hour 45 minutes to the Muroran Port.

One of the Leading Markets in Japan

Japan is a huge market, with third largest economic scale in the world. Sapporo is the fifth most populous city in Japan. 48% of Hokkaido's population is concentrated in Sapporo, forming a metropolitan area of 2.5 million people.



Population of Sapporo

1	Tokyo	9.73 million
2	Yokohama	3.77 million
3	Osaka	2.75 million
4	Nagoya	2.33 million
5	Sapporo	1.97 million

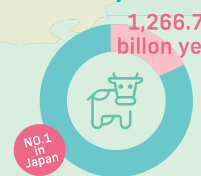
[Source] National Census 2020



GDP

20 Trillion Yen / 8th in Japan
(14 Million Dollars for Hokkaido region)
(as of 2019)

Agricultural output



14.1% nationwide

[Source] Ministry of Agriculture, Forestry and Fisheries

Fishery output



15.3% nationwide

[Source] Hokkaido Government



International Flights

Direct international flights are increasing, especially to Asia.

New Chitose Airport International		
Seoul	61 flights/week	everyday
Busan	7 flights/week	everyday
Taipei	28 flights/week	everyday
Kuala Lumpur	3 flights/week	
Singapore	4 flights/week	

(as of June 2023)

Tokyo Haneda airport is approx. 1.5 hours away. 55 daily flights, the most frequent in Japan.



Marine Transportation

Sapporo is surrounded by hub ports with excellent access, such as Muroran Port and Tomakomai Port, which are international hub ports, and Ishikari Bay New Port and Otaru Port, which were selected as hub ports on the Sea of Japan side.

2 Industry

Along with the traditionally strong tourism and food industries, Sapporo has also been focusing on the renewable energy, biotechnology, and IT fields and designated them as strategic priorities.

In particular, the region is rich in diverse energy sources such as wind and solar power, and has the greatest renewable energy potential of any region in Japan. A national project is underway to make the region a renewable energy supply base for Japan and a financial center for Asia and the world, where funds, human resources, and information related to Green Transformation (GX) will be gathered from around the world.

In June 2024, Hokkaido was approved to be designated as a National Strategic Special Zone. Furthermore, Hokkaido and Sapporo have been designated as a special zone for financial and asset management businesses.

In addition, another national project is underway to establish a green hub to produce next-generation semiconductors by Rapidus Corporation. Together these form "Hokkaido Valley," where semiconductor and GX-related industries will be concentrated. Hokkaido is a promising investment region with great potential.



Tourism



Food Industry



Renewable Energy



Biotechnology



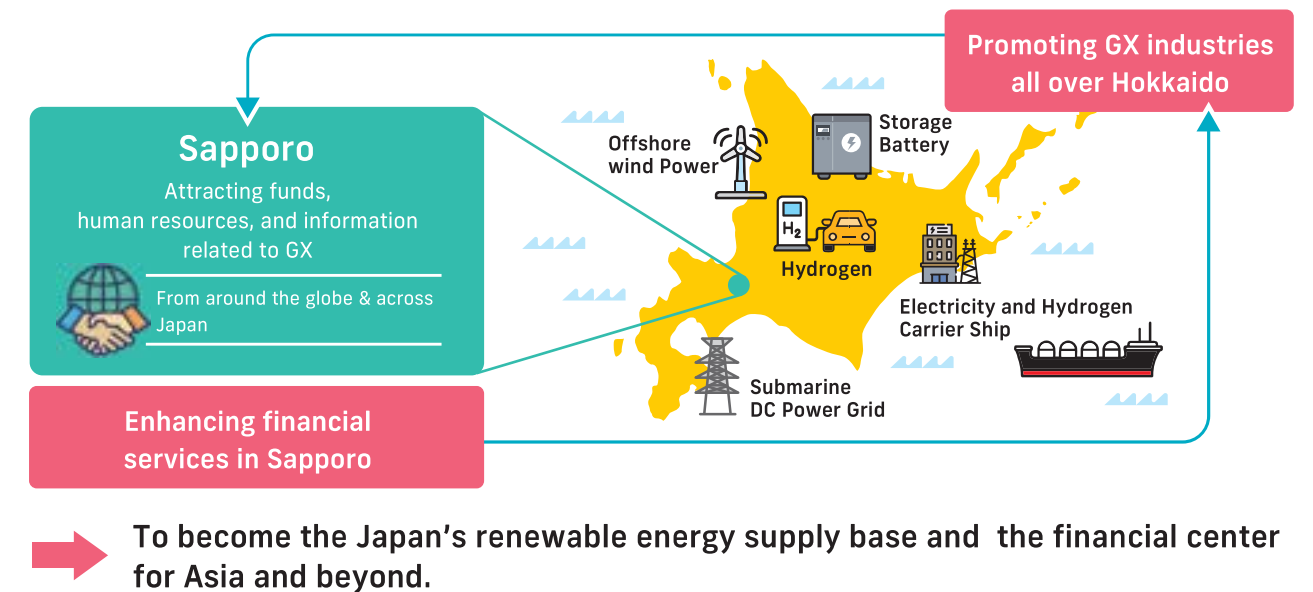
Information Technology



Semiconductor

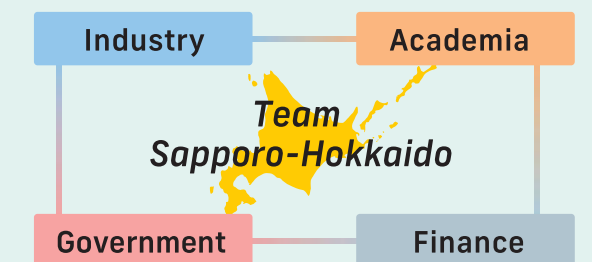
Special business zone for GX, financial and asset management

Our vision to utilize the policies of National Strategic Special Zone & Special business zone for GX, financial and asset management businesses



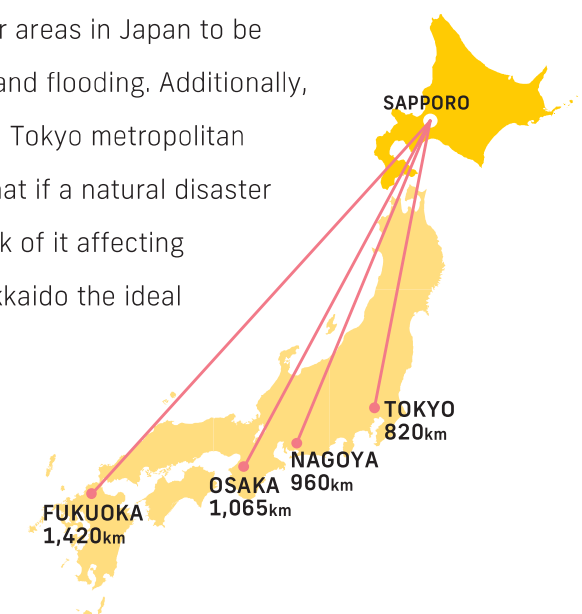
Team Sapporo-Hokkaido

Team Sapporo-Hokkaido was launched on June 23, 2023 as a consortium consisting of 21 industry, academia, government, and financial institutions. The consortium aims to leverage Japan's highest renewable energy potential to make Hokkaido and Sapporo the renewable energy supply base in Japan, as well as the financial center for Asia and beyond.



3 The Ideal Place for Diversification of Risk

Hokkaido is less likely than other areas in Japan to be affected by typhoons, lightning and flooding. Additionally, the significant distance from the Tokyo metropolitan area and other regions means that if a natural disaster occurs in these vicinities, the risk of it affecting Hokkaido is low. This makes Hokkaido the ideal location for dispersing risk.



Typhoon

The average frequency of typhoons in Hokkaido is about half that of other regions.

Hokkaido is **less prone to typhoon damage** compared to other regions.

Annual average number of typhoons by region (1991–2020)

Hokkaido	1.9 typhoons
Tohoku	2.7 typhoons
Kanto-Koshin	3.3 typhoons
Tokai	3.5 typhoons
Kinki	3.4 typhoons
Northern Kyushu	3.8 typhoons
Okinawa	7.7 typhoons

[Source] "Statistics of Typhoons" Japan Meteorological Agency

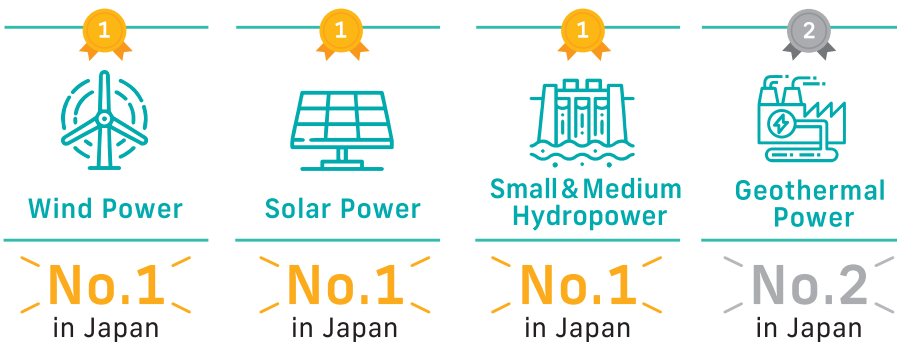


Hokkaido: Japan's Leader in GX "Hokkaido's Potential for Investment in GX"

Team Sapporo-Hokkaido



Highest Renewable Energy Potential in the Country

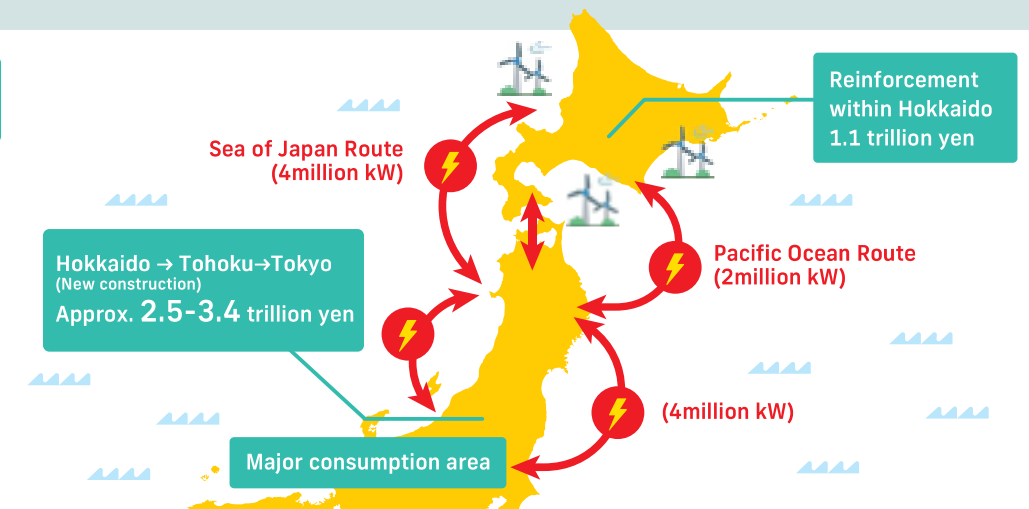


Submarine DC Power Grid

Master Plan for a Regional Cooperation System

[Required Investments (Estimated)]

- strengthening within Hokkaido region
→ **Approx. ¥1.1 trillion**
- Hokkaido → Tohoku → Tokyo (New construction)
→ **Approx. ¥2.5-3.4 trillion**



Data Centers

White Paper on Information and Communication published by the Ministry of Internal Affairs and Communications (MIC)

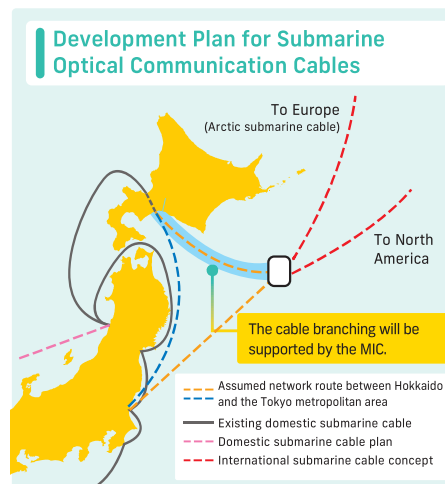
- Data Center Market Size in Japan
Approx. ¥2 trillion in 2022
→ **Approx. ¥3 trillion in 2026**

- Expert Group on the Development of Digital Infrastructure (DC, etc.) Interim Summary 2.0**
- The Japanese government will promote projects in Hokkaido, designating the region as a key area for the nation's digital infrastructure.
- SoftBank Corp. has announced the location of Japan's largest AI data center that will use 100% renewable energy.

Infrastructure Development Plan for a Digital Garden City Nation

- The government's projects are underway to complete installing submarine optical communication cables around Japan by FY2025, as well as to decentralize landing stations for the cables.

* Hokkaido Government is working to attract landing stations for the submarine optical communication cables.



Next-Generation Semiconductors

Strategy for Semiconductors & Digital Industry

- Value of shipments worldwide
Approx. ¥50 trillion in 2020
→ **Approx. ¥100 trillion in 2030**
- Decision on the location of Rapidus Corp.
→ **Expected to invest ¥5 trillion in total** (According to Rapidus)
→ **Related industries are announcing locations one after another**



Image via Rapidus Corp.

- CY2027 | Mass production begins
- CY2025 | Pilot line begins operation
- FY2024 | 590 billion yen (National support limit)
 - Equipment installation completed for pilot line
 - Development of advanced packaging technology, etc.
- FY2023 | 260 billion yen (National support limit)
 - Pilot line foundation work
- FY2022 | 70 billion yen (National support limit)
 - Selected Chitose City, Hokkaido as manufacturing base
 - Signed joint development partnership with IBM



Offshore wind-related industries

METI estimates

- Economic ripple effect at the time of implementation of 45 GW power generation
→ **Approx. ¥2 trillion in 2050**
- (ref.) Vision for Offshore wind Power Industry
→ **45 GW in 2040** (across Japan)



SAF

Japan's Basic Policy for Realizing GX

- Public and private investment in technology development for production, large-scale experiments production facilities, etc.
→ **Approx. ¥1 trillion over next 10 yrs.** (across Japan)



Storage Battery

Strategy for Storage Battery Industry

- Shift in Global Market
Approx. ¥5 trillion in 2019
→ **Approx. ¥40 trillion in 2030** (across Japan)



Hydrogen

Basic Strategy for Hydrogen

- In addition to the 2030 target to introduce 3 million tonnes, 12 million tonnes by 2040 20 million tonnes by 2050
- Investment plan worth **¥15 trillion** (across Japan, private and public sectors combined) over 15 yrs. currently under consideration



4 Affordable Costs

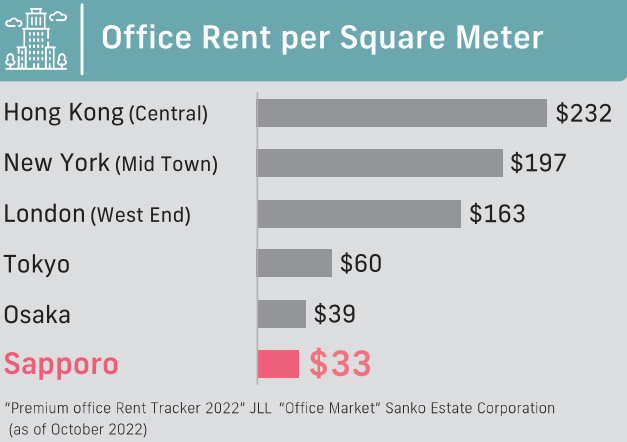
Despite being a large city, business costs are lower than in other metropolitan areas, allowing for cost-efficient business.

Office Rents

Japanese office rents are relatively low compared to rents in other countries.

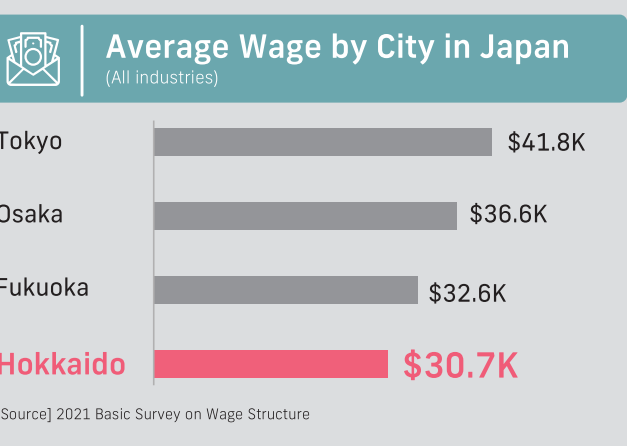
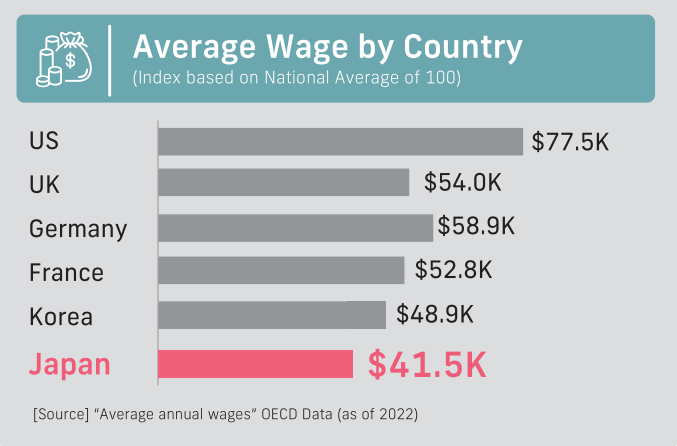
Rents in Sapporo are lower than in other cities in Japan, and about half of those in Tokyo.

A wide variety of office space is available, including Business Continuity Plan (BCP)-compliant buildings and buildings directly connected to the underground pedestrian walkway.



Average Wage

Average wages in Japan are lower than in other countries, making it possible to secure good human resources at a reasonable cost.



(Exchange rate: \$1=140 yen)

5 High Availability of Human Resources



Half of Hokkaido's higher education institutions are concentrated in the Sapporo area, resulting in an abundance of excellent human resources.

The high preference for local employment and a low ratio of job offers to applicants makes it easy to attract skilled employees.

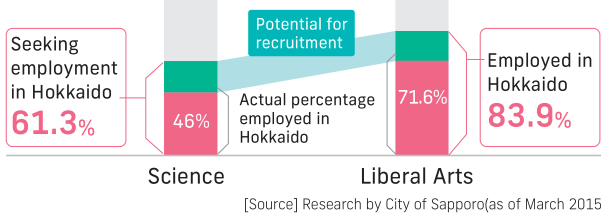


Strong Local Employment Orientation

"I want to work locally!"

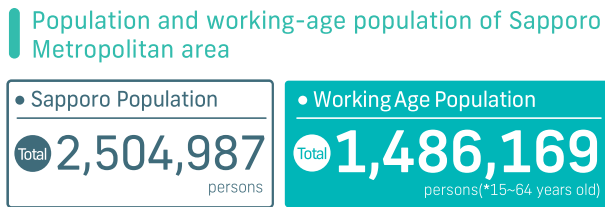
People in Hokkaido have a strong preference for local employment. However, in reality, there are many whose wishes are not being fulfilled, and this gap is a potential for recruitment.

University students in the city who wish to find a job in Hokkaido



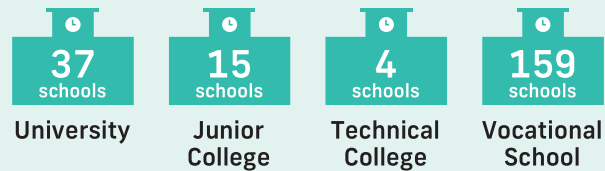
High Supply of Human Resources

48% of Hokkaido's population is concentrated in Sapporo, forming a metropolitan area of 2.5 million.



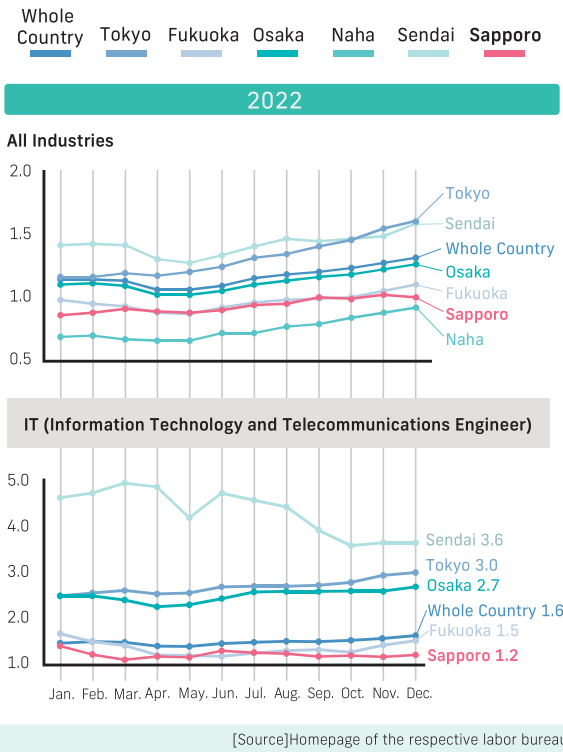
Clustering of Educational Institutions

Half of Hokkaido's higher education institutions are concentrated in the Sapporo Metropolitan area.



The Jobs-to-applicants Ratio

The Jobs-to-applicants Ratio is lower than the national average and major cities. Relatively high hiring potential.



6 Comfortable Living Environment

Sapporo has a quality environment where nature and well-developed urban infrastructure co-exist. Offering the convenient urban and office environment available in big cities as well as rich natural surroundings, beautiful scenery, powder snow, and fresh and abundant food resources, Sapporo is considered throughout Japan as a desirable city to visit and live.

The Most Attractive City in Japan

Sapporo is regarded as the most attractive city in Japan. The city has well-developed urban functions, yet is rich in nature and has delicious food. These are Sapporo's selling points.

Municipal Attractiveness Ranking	1	Sapporo / 63.9pt	
	2	Kyoto	/ 59.5pt
	3	Hakodate	/ 58.7pt

[Source] "Regional Brand Survey 2022," Brand Research Institute, Inc.



City of Food

With thriving dry field farming, rice farming, dairy farming, and fishing industries, Hokkaido is a treasure trove of ingredients. Sapporo in particular is the "City of Food", where fresh ingredients are brought in from all across Hokkaido every morning.



7 Support for Foreign Companies

In cooperation with Hokkaido, neighboring municipalities, and related organizations, we are a one-stop shop for supporting foreign companies - from the initial entry into the Sapporo area, to continuing business development after entering. We also arrange introductions to universities and vocational schools. We can assist with recruiting media, human resource agencies, and employment services, as well as property inspections arranged in cooperation with real estate agents. We can also offer introductions to local companies and other companies expanding into the area.

Subsidies for Corporate Installations

Various assistance programs are available to help you expand your business in Sapporo.

Head Office Functions and Administrative Center	Rent max.200 million yen (\$1.43M)
IT, Content and Bio-technology Industries	Rent max.100 million yen (\$714K)
Manufacturing Plants, Logistics and R&D Facilities	In Sapporo max.1 billion yen (\$7.14M) Out of Sapporo max.500 million yen (\$3.57M)
Expenses for initial visits to Sapporo (accommodation, transportation within the Sapporo area, and interpreter expenses)	max.500,000 yen (\$3.57K)

(Exchange rate: \$1=140 yen)

Contact

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