

Asia's Innovation Maker, MIYAKOSHI Holdings Inc.

Vision of the Shenzhen World Innovation Center (WIC)

The China Greater Bay Area

— The “Miracle of Asia” is a Powerful Driver of the Global Economy in the 21st Century

A World-Leading Innovation Center to Be Built in Its Central City of Shenzhen



- **A critical area at the forefront of China's national development strategy**
 - **the Greater Bay Area will surpass the economic scale of Japan in 2035**

We are developing the World Innovation Center (WIC) in the city of Shenzhen in Guangdong Province, China. Shenzhen is a huge city that is located adjacent to Hong Kong and has achieved tremendous rapid growth as one of the four major cities in China along with Beijing, Shanghai, and Guangzhou. In February 2019, the central government of China announced the overview of a long-term development plan for a coastal urban economic zone called the “Greater Bay Area.” The Greater Bay Area consists of Guangdong Province (centered on Shenzhen), Hong Kong, and Macao. The long-term development plan has positioned the area to lead China and serve as a model driving force for innovation such as high-tech fields and development in scientific technology. The area’s population is 72.67 million (as of 2020), which surpasses that of France and the United Kingdom. The population of Shenzhen alone is approximately 17.56 million, which far exceeds that of Tokyo. In 2035, the area's GDP (gross domestic product) will reach about 6.78 trillion US dollars (about 745 trillion yen). This means that the Greater Bay Area by itself will surpass Japan to achieve the world’s third-largest GDP (as of 2020, it was ninth after Italy). This shows how the Greater Bay Area is growing rapidly to become one of the richest economic zones in China.



- **Serious US-China friction and self-reliance routes such as high-tech fields serve as a tailwind**

The increasing importance of the Greater Bay Area has been spurred by the Chinese government’s major shift to self-procurement of high-tech products. This strategy is known as “self-reliance” and has manifested due to economic friction between the US and China. US sanctions make it difficult to introduce cutting-edge semiconductor technology, so the Chinese government has clearly demonstrated the willingness to increase its self-reliance rate of high-tech products, and is actually accelerating the necessary actions.

As a pillar of this strategy, the Chinese central government announced the “Basic Electronic Components Industry Development Action Plan” (2021 to 2023) on January 29, 2021 with the aim of strengthening its domestic supply chain in the high-tech field. In particular, China has positioned major fields such as smartphones and other smart terminals, the high-speed communication standard 5G, electric vehicles (EV), robots, and the manufacturing industry utilizing the internet as targets for priority cultivation. Even greater specific emphasis has been placed on technology such as semiconductors, sensors, manufacturing equipment,



software, and magnetic materials. In fields for these critical products, during the three years until 2023, China has set the goal of creating fifteen major internationally-competitive corporations with sales of at least 10 billion yuan (approximately 170 billion yen). Shenzhen is the first Chinese city to construct 5G base stations throughout the city. The city is also advancing application experiments such as pioneering telemedicine using 5G communication. Full-scale entry into Shenzhen will increase the possibility of obtaining support through various policies. At the same time, through collaboration and joint ventures with leading Chinese corporations, a presence in Shenzhen will expand the chances of securing business in a ripe Chinese market that is projected to grow rapidly.

➤ **All of Shenzhen is taking measures to acquire talented human resources gathering from throughout the world**

More than anything else, outstanding human resources are the most important element for supporting the high-speed, high-quality innovation known as “Shenzhen Speed.” For example, Shenzhen is a treasure trove of human resources with more than 20,000 highly-skilled human resources gathered from all over the world and 170,000 Chinese students who have returned from studying abroad in Europe and the US, all of whom are now working hard both day and night with the aim of realizing future technological development and entrepreneurship. The city is also relaxing visa requirements and labor regulations, and taking other steps to acquire more advanced human resources and outstanding global talent. By establishing a presence in the WIC, your company will increase its chances of discovering talent that will serve as future leaders in the human resources market of Shenzhen—one of the top personnel markets in China.

From the next part, we will explain the vision for the WIC, which is a source of great pride and confidence for our company.

The spirit of exceptional service through the “3Cs”

— **Cutting Edge, Convenient, and Comfortable**

➤ **Activities for attracting corporations with the support from the Ministry of Commerce (State Council of the People's Republic of China) and a commission from the city of Shenzhen**

With the support of the Ministry of Commerce of the State Council (Chinese national government) and a commission from the Shenzhen city government, we are actively working to attract corporations to WIC. Shenzhen has achieved miraculous growth as a center for global manufacturing. Furthermore, as a leading special economic zone in China, the city places great importance on attracting influential foreign capital with advanced technological capabilities in high-tech fields. The Chinese national government and the Shenzhen city government have positively evaluated our WIC concept, in which a large number of outstanding foreign corporations enter the Center and work on continuous innovation with local corporations.

➤ **Emphasis on ESG and carbon-neutral (zero CO₂ emissions) initiatives**

ESG focuses on the environment, society, and corporate governance as drivers for sustainable economic growth. This perspective has become a global management issue. The WIC, which aims to become one of the world's leading innovation platforms, plans to grant preferential entry to outstanding corporations that are actively engaged in ESG initiatives; for example, carbon neutral initiatives for reducing greenhouse gas emissions to essentially zero. We will respond appropriately to various issues related to sustainability (including the Shenzhen Project) and strive to receive positive evaluation from stakeholders through the construction of a highly-transparent governance system.



➤ **More than 200 outstanding multinational companies and leading companies from Japan, Europe, the US, Asia, etc.**

— **Moving toward historical collaboration by establishing a China headquarters function and global R&D base**

We have already obtained written intention to enter the WIC from more than 70 outstanding corporations in Japan alone, the majority of which are listed on the First Section of the Tokyo Stock Exchange. Moving forward, we will further accelerate efforts to attract corporations. We plan to have more than 150 major Japanese corporations enter the WIC. These corporations will be carefully selected as appropriate for Shenzhen in terms of fulfilling the policy objective of “accelerating growth in the advanced manufacturing industry.” Regarding foreign corporations, we are actively working to attract large corporations worthy of the Fortune Global 500 from the US and Europe, as well as well-known start-ups. Ultimately, we expect a total of 200 foreign corporations to set up a Chinese headquarters, an Asian headquarters, or a global R&D center, laboratory, or marketing base in the WIC.

➤ **Contact windows handling inquiries for 12 major provinces and 4 municipalities will all be located on one floor**

— **Becoming a strategic hub with a comprehensive view covering all of China**

From the perspective of corporations entering the WIC, we will pursue perfection in terms of convenient services. A foremost example of our efforts is having contact windows opened to handle inquiries for each Chinese province. A single floor of the WIC will house contact windows for the twelve provinces of Liaoning, Hebei, Henan, Shandong, Jiangsu, Zhejiang, Anhui, Hubei, Hunan, Sichuan, Fujian, and Guangdong, as well as China’s four largest cities of Beijing, Shanghai, Tianjin, and Chongqing, which are also direct-administered municipalities of China. Window staff will always be available to respond to a variety of consultation from foreign corporations; for example, inquiries regarding the latest economic and industrial information for each province, and information on procedures required for entering each province. In this way, we will enable corporations to take control of markets throughout China and devise market strategy while being based in Shenzhen with WIC as an immovable "strategic hub".

➤ **Creating new businesses by fusing the power of digital events and real events—this is the true value of an innovator**

— **Matching major foreign corporations and local startups through technology and function**

In the WIC, we will construct a unique and convenient information infrastructure system (digital platform) for registering Shenzhen startups, other leading high-tech companies, international organizations, and think tanks from each country. To enable tenant corporations to efficiently search for development partners and engage in marketing immediately after entering WIC, we will prepare state-of-the-art mechanisms such as matching functions by technology category, business negotiations and chats using live video, and e-commerce.

➤ **Aiming for gradual digital platform registration of 100,000 startups in Shenzhen**

The WIC digital platform will obtain registration from many of the more than 1 million startups in Shenzhen. The initial number of registrations will be limited to 30,000 corporations that have satisfied certain standards, and then gradually be expanded to 100,000 corporations. We will periodically update contents to promote business collaboration with existing leading corporations, as well as the exchange of technology and human resources across national borders and industries.



➤ **From advanced technology and medicine to cutting-edge agriculture and nursing care robots**
— **Diverse group of high-level R&D buildings**

The WIC will establish numerous attractive areas according to technical fields (high-tech fields, etc.) and functions. In addition to the Global R&D and Demonstration Experiment Park that enables large-scale customization for key tenants, another example is the Strategic Emerging Industry Group composed of corporations specializing in next-generation information technology, the digital economy, industrial robots and machine tools, smart equipment, new materials, marine technology, and more.

Toward solutions for all issues of business and lifestyle in China

➤ **Concierge service available 24 hours a day, 365 days a year**
— **Breaking down language barriers through the latest automatic translation**

An environment where people from throughout the world can concentrate on R&D, marketing, and management in a safe, secure and comfortable manner—such an environment is essential for pursuing innovation. People living abroad often encounter inconveniences in daily life; for example, simple tasks like shopping can be a challenge. The concierge desk in WIC offers consultation services 24 hours a day, 365 days a year. Moreover, by installing cutting-edge interpretation equipment utilizing AI, we are making every effort to provide services which overcome language barriers.

➤ **One-stop solution for troublesome administrative procedures**

In addition to opening a One-Stop Station (tentative name) for completing complicated business procedures such as establishing a company and obtaining permits in a single location, we also plan to provide support services related to legal affairs, accounting, finance, and other needs of corporations entering the WIC.

The above is the executive summary of WIC vision.

If you are interested in the WIC, contact our representative through the email address or telephone number listed below. Through the WIC, we earnestly hope that your corporation will allow us to work with the utmost effort and sincerity in assisting your path toward long-lasting prosperity by riding the wave of growth in Shenzhen and the Greater Bay Area.

Contact email address: marketing@miyakoshi-holdings.com

Innovation Dept. (direct line): +81-3-6450-0771

Kunimasa Miyakoshi, Representative Director Chairman & CEO
Miyakoshi Holdings, Inc.