

## **Mori Building to Establish Business Hub in Silicon Valley Under Contract with Japan's Ministry of Economy, Trade and Industry**

*Entrepreneurship project for accelerating Japanese business creation and innovation  
via human networks forged by ARCH incubation center based in Toranomon Hills, Tokyo*

Tokyo, April 10, 2023 — Mori Building Co., Ltd., Japan's leading urban landscape developer, announced today that it has been commissioned by Japan's Ministry of Economy, Trade and Industry (METI) to establish a business hub in Silicon Valley, USA as part of a five-year startup-development project<sup>1</sup> aimed at accelerating innovation and forming a startup ecosystem in Japan, including by nurturing globally capable innovators and strengthening connections between Japan's startup ecosystem and leading business regions worldwide.

In Japan's effort to accelerate innovation and form a startup ecosystem, it will be crucial to develop not only talented innovators but also people skilled in developing connections with cutting-edge regions of the world, such as Silicon Valley. Innovation in Japan has been hampered by the fact that few companies have been able to develop global-scale businesses from a truly international perspective. In addition, it has been difficult to create unicorn companies.<sup>2</sup> Japan also lacks human networks that extend to Silicon Valley and other cutting-edge regions of the world. In sum, innovative Japanese firms have found it difficult to raise funds, secure personnel and expand sales channels.



Workshop at "ARCH" incubation center

The new project will attempt to resolve these issues through three key measures: first, implement entrepreneur-development programs on the U.S. West Coast; second, implement entrepreneur-development programs and global events on the U.S. East Coast and worldwide; and third, establish a business hub in Silicon Valley through Mori Building's direct participation and promotional efforts.

The Silicon Valley business hub will assign a community manager to forge networking relationships between Japanese startups and overseas companies and investors. The selection of Mori Building to implement the project reflects the company's experience in establishing the "ARCH" incubation center in its Toranomon Hills complex in Tokyo as well as potential opportunities for synergistic outcomes as a result of collaboration between ARCH and the envisioned Silicon Valley business hub.

To support business creation by large companies, Mori Building has been operating ARCH since 2020 in Toranomon Hills, Tokyo, an advanced urban development that is becoming a new international hub and global business center. Staffed by community managers, ARCH provides venues and mechanisms for innovation through exchanges, seminars with entrepreneurs (over 230 times per year) and partner matching for business creation (over 360 cases per year). In its first three years, ARCH has grown into a startup community of some 900 people from some 120 large corporations, as well as representatives from startup firms and local governments. In addition, the Toranomon Hills Business Tower is home to "CIC Tokyo," the world's largest innovation community with over 250 participating companies. ARCH and the CIC have developed a synergistic relationship to facilitate communication and collaboration between their two respective communities.

Going forward, Mori Building will continue to create venues and mechanisms that enable diverse players to gather, interact and co-create in order to help overcome major challenges confronting Tokyo and Japan, and to enhance the global magnetism of Tokyo.

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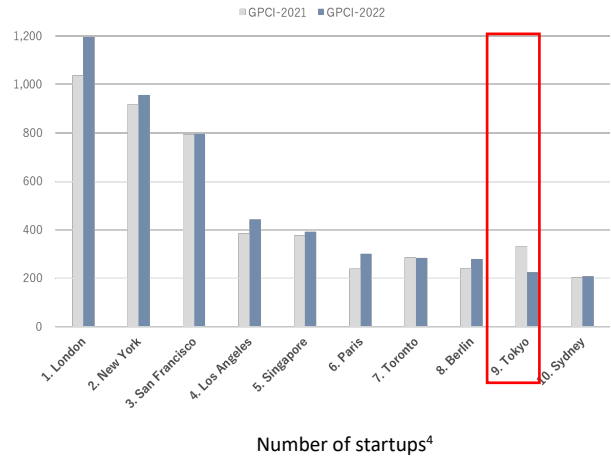
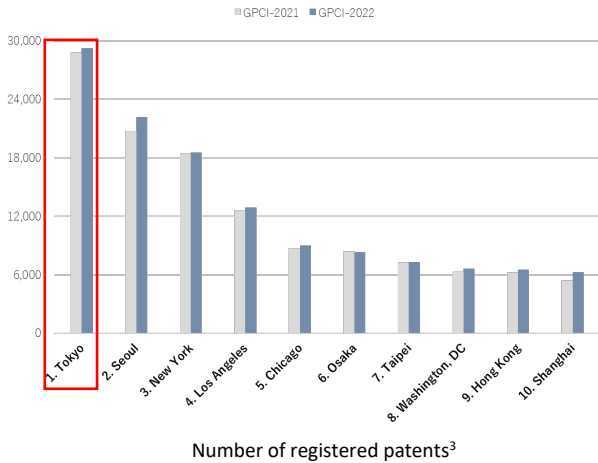
<sup>1</sup> Announced by Japanese Prime Minister Kishida's cabinet on November 24, 2022  
[https://www.cas.go.jp/jp/seisaku/atarashii\\_sihonsyugi/pdf/sdfyplan2022en.pdf](https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/pdf/sdfyplan2022en.pdf)

<sup>2</sup> Unlisted venture firms less than 10 years old and valued at more than USD 1 billion, commonly in the technology field.

**Reference 1: Global Power City Index 2022**

The Global Power City Index report, issued annually by the Mori Memorial Foundation’s Institute for Urban Strategies, a research body established by Mori Building, ranks the world's 48 major cities in terms of their "magnetism," or overall power to attract creative individuals and enterprises from around the world. Cities are ranked on the basis of 70 indicators spread across six basic urban functions: Economy, R&D, Cultural Interaction, Livability, Environment, and Accessibility.

In GPCI-2022, Tokyo ranked highly in the number of patents (1st), researchers (2nd) and R&D expenditure (3rd), but the results were heavily weighted toward large corporations. In terms of the number of startups, Tokyo ranked only ninth, far behind London and New York.



**Reference 2: Venues and mechanisms for innovation creation in Toranomon Hills**

Mori Building is operating a startup ecosystem at the company's Toranomon Hills urban complex, which continues to expand and evolve as a new international hub and global business center with a range of new venues and mechanisms for innovation.

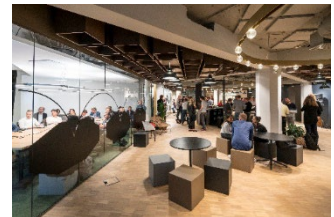
**ARCH: Business creation by large companies (Toranomon Hills Business Tower)**

ARCH opened in April 2020 as an incubation facility specializing in business creation by large companies, attracting some 900 participants from some 120 companies as of March 2023. The facility focuses on the opportunities and challenges unique to large companies that possess abundant resources and networks. It serves as an exclusive base of operation for the business-creation divisions of such corporations, providing them with workspaces, a campus for learning business-creation knowledge and perspectives, networking opportunities for innovation, and a range of services organized by mentors with extensive experience and specialized knowledge.



**CIC: World's largest innovation community (Toranomon Hills Business Tower)**

Founded by Massachusetts Institute of Technology (MIT) alumni Tim Lowe and Andrew Olmsted, this global community for startups has offices in nine cities worldwide (Boston, Cambridge, Miami, Rotterdam, etc.) that have been utilized by more than 6,000 companies to date. CIC Tokyo was established in October 2020 as its first base in Asia. As of March 2023, CIC Tokyo has attracted some 250 organizations, including startups, large companies and local governments, to create business, promote social change and drive regional development, all based on new innovation.



**TOKYO NODE: New interactive communication facility (Toranomon Hills Station Tower)**

This 10,000m<sup>2</sup> facility at the top of Toranomon Hills Station Tower facilitates the creation of new experiences, value, content and information, which it shares globally by fostering collaboration across domains and genres including business, art, entertainment, technology and fashion. Its TOKYO NODE LAB has already gathered top-notch talent from diverse industries and business domains, as well as 11 highly innovative companies, for a joint project focused on developing an all-new creative ecosystem.



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<sup>3</sup> Number of registered patents estimated pro rata from the number of employees in the country and target city based on averages for the last 10 years from World Intellectual Property Organization's "WIPO IP Statistics Data Center."

<sup>4</sup> The average number of startups founded in the target city in the last 3 years according to Crunchbase.

## About Mori Building

Mori Building is an innovative urban developer based in Tokyo. The company is committed to maximizing the magnetic power of cities by creating and nurturing safe, sustainable and cosmopolitan urban centers based on its unique Vertical Garden City concept of high-rise centers for business, education, leisure and residence. The concept is applied in the company's many leading-edge projects, including ARK Hills, Roppongi Hills, Toranomon Hills, upcoming Azabudai Hills in Tokyo and the Shanghai World Financial Center. Mori Building is also engaged in real estate leasing, project management and consultation. Please visit [www.mori.co.jp/en](http://www.mori.co.jp/en)

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