

## **Application Guidelines on the Subsidy for the J-Partnership Product/Service Development Support Project**

### **1. Purpose**

This project will be implemented by JTB Corporation (hereinafter referred to as the “Company”) under the name of "The Subsidy for the J-Partnership Product/Service Development Support Project" (hereinafter referred to as the “Project”) as part of the "The Subsidy for the Technology Cooperation and Emerging Market Development Project (the International Joint Development Project for Solving Social Issues [the Product/Service Development Support Project])" for the year 2022 by the Ministry of Economy, Trade and Industry.

We publicly recruit business plans and subsidize projects of Japanese companies that will **lead to solutions to social issues in emerging and developing countries**, including those in Africa. Subsidies will be granted to selected companies to cover the expenses for the development of the projects including the development, demonstration, and evaluation of the products/services. Note that the contents of the Project, such as details of the public recruitment and the plans to be implemented after selection, are subject to change due to revisions in government policy and other reasons.

### **2. Details of the recruitment**

The Project accepts applications from all Japanese companies founded in Japan (\*1) if they fit the description below in “2.1 Ideal companies for the Project” and meet the conditions in “2.2 Application requirements.” However, each company can make only one application. Companies that were selected for the Project (Tobidase Japan) in the past can also apply again if the contents of the subsidized project are different.

Joint proposals by more than one Japanese company are also accepted. In such cases, however, please specify the representative company that is responsible for all duties implemented for the Project in relation to the Company.

When you propose a subsidized project plan, you should also consider implementing it remotely in addition to a project plan with international travel, in light of possible restrictions on international travel and local activities during the period of the subsidized project due to political uncertainty caused by COVID-19 and the conflict in Ukraine. We will determine whether overseas travel is possible or not through consultation with the Ministry of Economy, Trade and Industry.

#### **2.1 Companies that are ideal for the Project**

Companies that are recruited for the Project shall be able to offer products/services that meet demand in the target countries suitable for the purpose of the Project but have difficulty with independent business development due to reasons such as a lack of business experience, local networks, etc., in the target countries and so need support from the subsidized project. In particular, we recruit companies that meet the following three conditions:

- 1) The company will solve social challenges in emerging and developing countries and create new business.
- 2) The company has a business plan to expand its business with local partners.

3) The company is enthusiastic about global business development.

## 2.2 Application requirements

### Number of companies to be selected: Approximately 10

- The companies shall work for the development, demonstration, evaluation, etc., of products/services that can solve local social challenges jointly with local companies, universities, research institutes, NGOs, etc., in emerging and developing countries (hereinafter referred to as “Local Partner Bodies” [\*2]).
- The companies shall propose business plans that aim to commercialize their businesses within two years after the termination of the Project.

(\* ) We plan to select seven applications for business in Africa and approximately three applications for business in other regions.

(\* ) We plan to select one application from a large company and approximately nine applications from small and medium-sized companies.

## 2.3 Regions covered

The regions covered are the emerging and developing countries in the DAC list, the list of aid-receiving countries and territories prepared by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), **except for** ASEAN (Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam), Mongolia, and China (\*3). We seek applications with a particular focus on business in Africa this fiscal year.

As to the implementation of projects in countries and territories at level 2 or higher, according to overseas safety information on each country/territory in the Overseas Travel Safety Information of the Ministry of Foreign Affairs of Japan (URL: <http://www.anzen.mofa.go.jp/>), we will determine whether the project can be implemented or not in consultation with the Ministry of Economy, Trade and Industry.

(\*1) For the Project, we recruit companies that have been established in Japan and have the status of a stock corporation, general partnership company, limited liability company, limited partnership company, or limited company. Among these, small and medium-sized enterprises specified by the Small and Medium-sized Enterprise Basic Act as well as those other than small and medium-sized enterprises in which net sales are less than 100 billion yen or the number of full-time employees is less than 1,000 are regarded as small and medium-sized companies. However, the following companies (so-called “deemed large companies,” etc.) are excluded.

- Small and medium-sized companies in which 100% of the shares are owned directly or indirectly by a company with a capital or investment amount of 500 million yen or more and net sales of 100 billion yen or more or 1,000 or more full-time employees

(\* ) Large companies are defined as legal entities with a capital or investment amount of 500 million yen or more and net sales of 100 billion yen or more or 1,000 or more full-time employees.

**【Reference】** Definition of small and medium-sized enterprises (Article 2 of the Small and Medium-sized Enterprise Basic Act)

Business category: Number of employees and capital

- Manufacturing and other business categories: 300 persons or less or 300 million yen or less
- Wholesale industry: 100 persons or less or 100 million yen or less
- Retail industry: 50 persons or less or 50 million yen or less
- Service industry: 100 persons or less or 50 million yen or less

(\*2) An organization cannot be a Local Partner Body if it is virtually a subsidiary of the small or medium-sized company applying for the Project because, for example, the applicant company holds more than 50% of its shares. Even if the ratio of the shares owned by the applicant company is less than 50%, any organization that falls under either of the following conditions is deemed as being virtually a subsidiary of the applicant company:

- The board of directors of the organization is controlled by the applicant company even if it owns no less than 40% and no more than 50% of the shares.
- The total ratio of the shares in the organization owned by the applicant company, those with a close relationship with it, and those with a partnership on voting exceed 50%.

(\*3) For the DAC list, see Supplement 1. (The list of supplements is shown below on this page.) If your target is included in the countries listed in “2.3 Regions covered,” you can apply even if the target region is not specified in your business plan at the time of the application. In such a case, you have to decide the target region before being screened by the third-party committee.

### **3. Features of the Project**

#### **3.1 Support for commercialization**

In the Project, in addition to the subsidy, the Company in cooperation with the Ministry of Economy, Trade and Industry and other relevant agencies will also provide support for commercialization, such as networking with local companies and governments. We will also work to collaborate with independent administrative institutions, etc., that assist Japanese companies in business promotions in developing countries.

In some countries, support from the Investment and Technology Promotion Office in Tokyo (the Tokyo Office) of the United Nations Industrial Development Organization (UNIDO) and its overseas network may be available for negotiations with local governments and agencies to acquire various approvals and permissions as well as negotiations with local partner organizations. The UNIDO Tokyo Office has local advisers in Ethiopia (covering Uganda, Rwanda, and Burundi as well), Algeria (covering business sectors in Tunisia and Mauritania as well), Senegal (covering the Ivory Coast and neighboring French-speaking countries as well), and Mozambique. Some local government investment promotion agencies that have a connection with the UNIDO Tokyo Office can also provide a certain level of support, such as liaisons and requests for cooperation.

#### **3.2 Past record of support provided in the Project**

**(Total number of selected companies: 75)**

For details about how the Project was implemented in the past, see “Support record” on the following website: <https://www.icnet.co.jp/tobidase-japan/>

\*The document mentioned above was prepared by IC Net Limited when it was the secretariat of the “Tobidase Japan!” program.

#### **4. About the subsidy**

##### **4.1 Subsidy amount and rate**

Subsidy amount: Up to 30 million yen per company or 20 million yen for small and medium-sized enterprises

Subsidy rate: Two-thirds of expenses are covered by the subsidy for small and medium-sized companies and one-third for large companies.

(If the subsidy rate is two-thirds and the expenses covered by the subsidy for the implementation of the Project are 45 million yen, two-thirds of 45 million yen, or 30 million yen, is granted as the subsidy and the company bears one-third of the expenses, namely 15 million yen.)

\*While the maximum subsidy is set at 30 million yen, it does not mean that you cannot apply for a subsidy below that. Even if you apply for a subsidy of several million yen, you will be selected if you receive a high evaluation according to the selection criteria. Please apply for a subsidy that is a suitable amount for your project.

\*For companies that apply for a subsidy that is a large amount, the subsidy rate may be lowered to less than two-thirds or one-third in consultation with each company because we will select about 10 companies and have a limited budget.

##### **4.2 Period covered for the subsidy**

The subsidy is granted for the expenses **the payment of which is completed** during the period from the day the granting of the subsidy to the subsidized project is determined **to January 31, 2023**. We plan to determine the granting of subsidies in late June or early July. For the overall schedule from applications to the termination of the project, see “6. Overall schedule.”

##### **4.3 Expenses covered by the subsidy**

Business development expenses that meet all of the following conditions of (1) to (4) are covered by the subsidy:

- (1) The necessity of the expenses for the execution of the subsidized project plan can be clearly identified.
- (2) The expenses are attributable to the period on or after the day when the granting of the subsidy to the subsidized project is determined and payment is completed during the period covered by the subsidy.
- (3) The amount paid for the expenses can be confirmed with evidentiary materials, etc.
- (4) The size of the expenses in each receipt is not less than 10,000 yen.

The following expenses are not covered:

- Expenses for the promotion of the sales of products and services and other marketing activities

- Expenses for the purchase of versatile items such as vehicles and computers

Examples of the applicable expense categories are presented below. For details, see Supplements 2 and 4.

< Applicable expense categories >

Category	Examples
(1) Personnel expenses	<p><u>Personnel expenses for employees needed to implement the subsidized project</u></p> <p>【Personnel expenses for the development of products/services】</p> <ul style="list-style-type: none"> <li>• Personnel expenses of the employees involved in the development of the proposed products/services or for necessary developments for the improvement of existing products/services</li> </ul> <p>【Personnel expenses for system developments, etc.】</p> <ul style="list-style-type: none"> <li>• Personnel expenses of the employees involved in developments needed for the proposed systems/software or necessary developments for the improvement of existing systems/software</li> </ul> <p>【Personnel expenses for installations/introductions】</p> <ul style="list-style-type: none"> <li>• Personnel expenses of the employees sent to the site for the installation and commissioning of manufacturing equipment, the introduction of systems/software, and the support of operational tests</li> <li>• Personnel expenses of the employees sent to give technical instructions, etc., to the local partners.</li> </ul>
(2) Travel expenses	<p><u>Expenses for domestic and overseas business trips needed to implement the subsidized project</u></p> <p>【Expenses for domestic trips】</p> <ul style="list-style-type: none"> <li>• Airfares, train fares, and accommodation expenses needed for information collection activities in Japan for the development of the proposed products/services</li> </ul> <p>【Expenses for overseas trips】</p> <p><b><u>* Expenses for accommodation in countries other than the target countries, such as those where employees stay when in transit, are excluded. However, if such a stay is required due to COVID-19, etc., consult with the secretariat promptly.</u></b></p> <ul style="list-style-type: none"> <li>• Travel expenses for local surveys including airfares, airport taxes, visa expenses, commission fees for the acquisition of visas, local traffic costs, and accommodation fees</li> <li>• Airfares, airport taxes, visa expenses, commission fees for the acquisition of visas, local traffic costs, and accommodation fees for the employees sent by the proponent to the site to support the installation of manufacturing</li> </ul>

	<p>equipment and the introduction of systems/software</p> <ul style="list-style-type: none"> <li>• Costs for immunization (against yellow fever, etc.) for overseas travel and overseas travel insurance fees</li> <li>• Airfares, airport taxes, visa expenses, commission fees for the acquisition of visas, local traffic costs, and accommodation fees for the employees sent by the proponent to the site to give technical guidance, etc., to the local partners</li> </ul>
(3) Conference expenses	<p><u>Expenses for conferences, lecture sessions, symposiums, etc., needed to implement the subsidized project (e.g., venue rental fees, equipment rental fees, and prices of refreshments)</u></p> <p><b>【Costs for organizing exhibitions of prototypes】</b></p> <p>Costs for exhibitions organized by the selected company to receive local feedback about the products/services at the prototype stage</p>
(4) Appliance expenses	<p><u>Expenses for the purchase/manufacturing of necessary items (that can be continuously used for one year or more) for the subsidized project</u></p> <p><b>【Investment in equipment】</b></p> <ul style="list-style-type: none"> <li>• Equipment expenses needed for the completion of the proposed products/services or equipment expenses needed for the improvement of existing equipment</li> </ul>
(5) Rents and rental fees	<p><u>Necessary expenses for the lease/rental of machines, appliances, etc., needed for the subsidized project</u></p>
(6) Supplies expenses	<p><u>Expenses for the purchase of necessary items for the subsidized project that do not fall under appliance expenses (but can be identified as those used only for the project)</u></p>
(7) Outsourcing costs	<p><u>Necessary expenses for the outsourcing of jobs to other companies because the subsidized company cannot do them directly or it is inappropriate for the company to do them (service contract)</u></p> <p><b>【Outsourcing of the development of prototypes】</b></p> <ul style="list-style-type: none"> <li>• Expenses for the outsourcing of design, etc., to external companies for the development of the proposed products/systems/software</li> <li>• Expenses for the outsourcing of design improvements based on existing products/systems/software to external companies for the development of the proposed products/systems/software</li> </ul>
(8) Printing and bookbinding costs	<p><b>* <u>Any advertisements and publications used for the marketing activities of the selected company are not covered.</u></b></p> <p><b>【Printing and bookbinding costs】</b></p> <ul style="list-style-type: none"> <li>• Expenses for the printing and bookbinding of pamphlets, leaflets, etc. The printing of labels to be attached to the products developed in the Project and questionnaire sheets to receive feedback about those products</li> </ul>

<p>(9) Personnel expenses for support staff</p>	<p><b>【Personnel expenses of support staff in Japan】</b></p> <ul style="list-style-type: none"> <li>• Part-time and temporary employees contracted for accounting and other jobs for the subsidized project</li> </ul> <p><b>【Personnel expenses of local support staff】</b></p> <ul style="list-style-type: none"> <li>• Expenses of the support staff employed to collect local information, such as identifying candidates for local partner companies, and arranging appointments for local surveys</li> <li>• Expenses of the local support staff employed by the selected company to collect local feedback about products/services at the prototype stage</li> <li>• Expenses of the support staff employed by the selected company to assist in the installation and commissioning of manufacturing equipment, the introduction of systems/software, and the support of operational tests on the site</li> </ul>
<p>(10) Other miscellaneous expenses</p>	<p><u>Necessary expenses for the subsidized project that do not fall under any other categories. In principle, they must be identifiable as expenses used for the project.</u></p> <p><b>【Communication and transportation costs】</b></p> <ul style="list-style-type: none"> <li>• Postal charges, transportation fees, tariffs, communication and telephone fees, etc.</li> </ul> <p><b>【Utility costs】</b></p> <ul style="list-style-type: none"> <li>• Electricity, water supply, and gas. The costs are covered when, for example, the fees for utilities used for the project can be calculated by reading the dedicated meters in large research institutes, etc.</li> </ul> <p><b>【Costs for the repair and maintenance of equipment】</b></p> <p><b>【Costs for translation, interpretation, and stenographic writing】</b></p> <ul style="list-style-type: none"> <li>• Expenses for interpretation in local surveys and translation of materials</li> </ul> <p><b>【Costs for purchasing materials and conducting legal inspections, testing fees, patent application costs, etc.】</b></p> <ul style="list-style-type: none"> <li>• Expenses for purchasing materials, etc., for collecting information on target countries</li> </ul> <p><b>【Local survey base costs】</b></p> <ul style="list-style-type: none"> <li>• Rents of the offices used to conduct local surveys and collect local feedback about the products/services at the prototype stage</li> </ul> <p><b>【Online tool usage fees】</b></p> <ul style="list-style-type: none"> <li>• Fees for the periodic use of online tools such as Zoom and Slack</li> </ul>
<p>(11) Entrustment fees</p>	<p><u>Necessary expenses for the entrustment of jobs to other companies because the subsidized company cannot do them directly or it is inappropriate for the company to do them (entrustment contract)</u></p> <p><b>【Jobs entrusted to local partners】</b></p> <ul style="list-style-type: none"> <li>• Expenses for the entrustment of jobs to local partners to develop and improve products/services at the prototype stage</li> </ul>

	<p><b>【Collection of feedback】</b></p> <ul style="list-style-type: none"> <li>• Expenses for the entrustment of local consultants with such jobs as the collection of feedback about the evaluation of products/services produced as prototypes in the target countries</li> </ul> <p><b>【Investigation of laws and regulations】</b></p> <ul style="list-style-type: none"> <li>• Expenses for the entrustment of local consultants, etc., with such jobs as the investigation of legal regulations on import procedures to bring the products/services produced as prototypes into the local area as well as legal regulations on the distribution of them</li> </ul>
--	--

## **5. Application**

### **5.1 How to apply**

- Please submit the documents listed in “5.2 Application documents” in the following way.  
 From now to early May: Please send the documents to the email address of the secretariat (jpartnership@jtb.com).  
 From early May: Please use the subsidy application system “jGrants” to submit them. (A link to jGrants will be put on the website from early May.)

Among the documents in “5.2 Application documents,” please download the formats for (1) Business plan and subsidized project and (2) Financing plan from the website of the Project.

Application deadline: 17:00 (Japan time), June 3 (Fri.), 2022

### **5.2 Application documents**

- (1) Business plan and subsidized project plan (10 pages or less in A4 size; please refer to “7. **Screening criteria**” when preparing them)
- (2) Financing plan
- (3) Company outline (company brochures and other pamphlets, etc.)
- (4) Financial statements for the past three years (Alternatively, if you do not prepare financial statements, you can submit your tax return. For organizations that were established less than three years ago, please submit the financial statements for the periods that are available.)

\*Please prepare the financing plan with a consumption tax rate of 10%.

### **5.3 Other**

The Company may ask you to submit additional documents voluntarily when necessary after receiving the application documents.

## 6. Overall schedule

A flowchart from the application to the completion of the project is presented below.

### (1) Application

- Make an application as specified above in “5. Application.”
- Application deadline: June 3 (Fri.), 2022



### (2) Document screening

- We will evaluate your business plan, etc., based on the application documents you have sent.
- We will inform all applicants of the screening results by email in mid June 2022.



### (3) Presentation screening

- Presentation screening will be conducted (remote presentations via Zoom) in mid or late June 2022. A third-party committee will be established for the presentation screening to select the recipients in a fair manner.
- We plan to select about 10 companies.



### (4) Discussion of the details and budget of the project and application for the subsidy

- The procedures will be taken in a series from late June or early July 2022.



### (5) Period of the subsidized project

- The subsidized project starts when an application for the subsidy is approved in (4) above. (It ends on January 31, 2023.)



**(6) Preparation of a performance report, a briefing session on achievements, and the granting of a subsidy**

- Preparing a performance report and settling expenses (by the end of February 2023)
- Organizing a briefing session on achievements that is open to the public and the granting of a subsidy (by the end of March 2023)

**7. Screening criteria**

The screening is conducted according to the following criteria. Please note that we will not answer any questions on the screening procedures including the reason for a rejection.

	Subsidized project plan	Business plan (priority evaluation items)
Social challenges	We will assess whether social challenges and needs in the emerging/developing countries are identified or not (how accurately market issues and needs are identified) as well as the likelihood of the proposed business solving social challenges in those countries. In addition, using the sustainable development goals (SDGs) adopted by the UN (*5) as an indicator, we will assess how the proposed business can help achieve the SDGs.	
Profitability	We will attach importance to the possibility of the project continuing to make sales over multiple years. We will also assess the possibility of achieving a budget surplus on a single-year basis within a few years.	
Feasibility	We will assess whether the subsidized project can be completed or not within the period from the day the granting of the subsidy to the project is determined to January 31, 2023, based on its contents and whether its achievements can increase the feasibility of the business plan or not.	We will assess whether you have appropriate business partners (including candidates) in the emerging/developing countries or not. We will also attach importance to the possibility of recruiting human resources and establish an organization that can run the business locally after the termination of the Project.
Future prospects	We value highly business plans that present future prospects and can also deal with potential changes in the business environment in rapidly developing countries.	
Originality	We value highly new or unconventional ideas that can help solve social challenges that have not been addressed by existing businesses.	
Accountability	We value highly the establishment of systems where the settlement of expenses proposed in subsidized projects can be conducted smoothly. Since subsidized projects use public funds, we also value highly a system for the applicant to properly report to the Company their progress in commercialization and the status	

	of income and expenditures in relation to the Project in the five years following the termination of the Project to fulfill its accountability.	
Adequacy and necessity of the project	We will evaluate the necessity to implement the business plan. Since subsidized projects use public funds, we will assess the cost performance of the applicant in the Project. We will also assess whether granting the subsidy is needed instead of other financial measures.	We value business plans that are consistent with the existing business strategies of applicants more highly than business plans developed on the assumption that a subsidy will be provided.

(\*5) Sustainable Development Goals (SDGs) are listed in "Transforming our world: the 2030 Agenda for Sustainable Development," which was adopted in the UN General Assembly in September 2015. The development goals aim to make the world sustainable and cover 17 areas, including poverty, health, energy, technical innovation, climate change, and peace. For specific goals, see <http://www.ungc.org/sdgs/index.html>.

(\* ) We will treat the companies selected in the J-Startup program or the J-Startup regional development program preferentially to some extent in the screening.

## 8. Contact information

For any questions about the Project, please contact the J-Partnership Secretariat ([jpartnership@jtb.com](mailto:jpartnership@jtb.com)). Please note in advance that we may not be able to answer some questions depending on their contents.

## 9. Notes

### 9.1 Ownership of intellectual property rights

All intellectual property rights of business plans and other application documents belong to the applicants. Note that the application documents, etc., submitted in the application will not be returned.

### 9.2 Originality of ideas in the applications and third-party rights

We only accept business plans that are independently created by applicants. In addition, applicants are responsible for confirming in advance that their business plans do not use any legally protected idea, technology, product, etc., whose intellectual property and other rights belong to a third party.

### 9.3 Publication of the outline of the selected projects

The names of the selected companies and the outline of the projects will be made available to the public. However, the scope of the information that is made public can be limited if the selected company demands it.

### 9.4 Penalties, additional amounts, etc.

Note that the following measures may be taken in the event of any act that violates the subsidy rules.

- Withdrawal of the decision to grant the subsidy, return of the subsidy, calculation and payment of additional amounts, and payment of delinquency charges under the subsidy rules
- Not granting the whole or part of the subsidy, etc., for a reasonable period of time

- Excluding the applicant from selection, etc., for contracts under the jurisdiction of the Ministry of Economy, Trade and Industry for a certain period of time
- We will inform government ministries, agencies, and other funding organizations of the measures taken in relation to illegal use, etc., the targets of the measures, and other information. This may impose a restriction on those engaged in illegal use, etc., and their co-conspirators in applying for research funds provided by government ministries, agencies, and other funding organizations. A similar measure may be taken based on information provided by government ministries, agencies, and other funding organizations to the Company.
- Publicizing violating companies and the details of the violations

### **9.5 Other**

Any costs required for the application for the Project shall be borne by the applicants.

### **9.6 Protection of personal information**

Personal information provided to the Company in the application, etc., will only be used for the implementation of the Project and its commercialization. It will not be used for other purposes.

**Supplements** (downloadable on <http://j-partnership.go.jp/>)

1. List of aid-receiving countries and territories (DAC list)
2. Subsidy rules
3. Paperwork manual for subsidized projects
4. Expenses covered by the subsidy