



Startup Ecosystem Co-creation Program for the New Industry Creation Fund for University Startups

HSFC GAP Fund

(Step 1)

Application Guidelines

Entry deadline: Noon on Friday, May 31, 2024

Submission deadline: Noon on Friday, July 12, 2024

April 2024

Hokkaido Startup Future Creation Development by Mutual Support Networks
(HSFC)

1. Overview and purpose of the HSFC GAP Fund

The Hokkaido Startup Future Creation Development by Mutual Support Networks (HSFC) platform with Hokkaido University as the main institution and universities and technical colleges in Hokkaido as joint institutions was selected by the Japan Science and Technology Agency (JST) as a Startup Ecosystem Co-creation Program / Supporting the Co-creation of a Platform for a Base City for the New Industry Creation Fund for University Startups (JST Fund Program).

JST press release: <https://www.jst.go.jp/pr/info/info1663/index.html>

The HSFC GAP Fund (“this call for submissions”) is a GAP fund (Step 1: Pre-support; Step 2: Startup formation) to support verification activities for creating startups based on technology seeds developed by researchers and students (master’s course, PhD course) at universities and technical colleges participating in the platform. (This call for submissions is only for Step 1. A call for submissions for Step 2 is planned for around fall 2024.)

The GAP Fund is a fund for startup creation to carry out interviews with potential users, search for cofounders, build and test business ideas, and create and perform user testing of prototypes with the aim of creating a business.

Principal investigators selected in this call for submissions will receive close-following support during the project period to start a business based on research seeds after support ends. They will learn about capital strategies, business strategies, and intellectual strategies needed for starting a business and will have opportunities to be matched with venture capitals (VC) at events such as Demo Day.

(1) JST Fund Program

This fund program (New Industry Creation Fund for University Startups) is based on Japanese government schemes such as the Startup Development Five-year Plan and aims to strengthen the ability of universities and other institutions in Japan to create startups. In addition to promoting research and development with a view to commercializing the research and development results and testing the potential for international business expansion, the program promotes the formation of an environment to facilitate provision of support for creating university-originated startups through industry-university-government co-creation centered on core universities and other institutions in the region.

(2) Targets of the JST Fund Program

This Fund Program aims to achieve the following targets by collaborating with relevant institutions carrying out measures to promote growth of startups based on the Startup Development Five-year Plan and implementing various types of programs including the current one.

- (1) To significantly improve, in terms of both quality and quantity, the creation of startups originating from universities and other institutions in academia (“university-originated startups”) with the potential to have social and economic impact and the potential for business growth including international expansion.
- (2) To build a nationwide ecosystem that circulates human resources, knowledge, and capital to support the continuous creation of university-originated startups.

(3) Ideal state of the JST Fund Program

The aim is to create the following conditions among those involved in this Fund Program as a sign that the above-mentioned targets have been achieved.

- (1) New products or new services created by university-originated startups resolve social issues, create new value, and enrich the lives of people in Japan and throughout the international community.
- (2) Growth of university-originated startup projects creates jobs and achieves economic growth in Japan.
- (3) The accumulation of successful university-originated startups that bring social and economic value encourages many others to aspire to create and develop university-originated startups.

(4) Overview of the Hokkaido Startup Future Creation Development by Mutual Support Networks (HSFC)

The HSFC is a platform for creating research and development-based startups originating from universities and comprises multiple relevant institutions including universities and technical colleges scattered across a wide area in Hokkaido. The HSFC aims to create new industries in the region based on the diverse research seeds in Hokkaido and works to strengthen and promote networks. (As shown in the diagram below, it is made up of a core institution, partner institutions, and collaborating institutions.)

In addition to supporting the creation of university-originating startups with the HSFC GAP Fund (this call for submissions), the HSFC is engaged in activities such as running an entrepreneurship activity support program, training guidance and support staff to run an entrepreneur development program, developing an entrepreneurship environment, and building an ecosystem within and outside of the platform.



(5) Main terms used in the guidelines for this call for submissions

Seeds	Refers to research results that will be central in the aim for commercialization. When submitting an application for this call for submissions, it is preferable to have obtained a patent for the respective research results. However, it is also acceptable to submit an application based on research results (such as software) for which a patent application is pending or scheduled or for which no patent application will be filed. For example, cases in which AI technology created as research results at a university or other institution or research results in the humanities or social sciences will be used to attempt to resolve social issues are also eligible.
Principal investigator	The researcher or another person who is responsible for the research and development in the research and development project for the GAP Fund. The person who invented or a person who was involved in inventing the seeds that are central to the application at the time of application.
Research and development project	Although this varies greatly depending on the technological field or the business field in which a company is to be created, in general, it is primarily development of a prototype, acquisition of data to test a hypothesis (experimental results, calculation results), construction of a business model, securing of intellectual property, or establishment of a management team. Projects must be modified through discussion with cofounders and results of tests so that they are more suitable as a startup.
Commercialization promoting organization	An organization that is responsible for development of a project for commercializing research results. The organization must collect the resources needed for commercialization and engage in efforts needed to achieve commercialization milestones by using those resources.

3. Application requirements and details of research and development project

Overview of the HSFC GAP Fund:

Phase	Step 1 (Pre-support)	Step 2 (Startup formation)
Definition and aim	Raise the results of basic research to a stage at which the business potential can be evaluated.	The first part involves evaluating and testing the project's potential as a business and aims to solve problems that must be cleared to launch the business (proof of concept). The second part involves those activities as well as continuing proof of concept activities with the goal of forming a university-originated startup and reaching a level where venture capitals can make investment decisions (startup formation).
Subsidy amount	Up to 5 million yen	Up to 60 million yen
Subsidy period	About 1 year from the selection decision (agreement with JST)	Up to 3 years from the selection decision (agreement with JST)
Call for submission period	Once/year	Once/year; scheduled for October
Planned number of projects to be selected	About 24	About 4
Agrifood category	About 7 of the projects	None

* **The part in the thick box (Step 1) is for the current call for submissions.**

- * Agrifood category: This sector has been set by the HSFC as a key field. A special category has been set to secure a certain number of selections. Decide if a project falls under the agrifood category based on application or market rather than research field. The HSFC envisions projects that fall under the agrifood category to be as follows:
 - (1) A project that helps develop or resolve issues in agricultural, forestry, and fishery industries or in the food industry. Agriculture includes dairy farming and livestock farming, and the food industry primarily includes not only processing of food products, but also distribution and marketing (export).
 - (2) Research seeds that are the core may be in not only agricultural science, fisheries science, or livestock science, but also mechanical engineering (e.g., robots), information engineering (e.g., AI, IoT), chemistry, or other sciences that contribute to agricultural, forestry, and fishery industries or the food industry.

Eligible research and development projects:

With the aim of bridging the gap between research results of research institutes and entrepreneurship/commercialization towards commercialization, projects are limited to testing the

feasibility of creating a business, improving knowledge of business models, acquiring data to develop a prototype or test a hypothesis (e.g., experimental results, calculation results), market research, or securing of intellectual property. In addition, **this subsidy cannot be used for simple basic research purposes or for a startup business that already exists or has been launched.**

Principal investigator:

Researchers and students who belong to the following institutions (master's or PhD course)

Core institution:	Hokkaido University
Partner institutions:	Otaru University of Commerce; Sapporo Medical University; Muroran Institute of Technology; Kitami Institute of Technology; Future University Hakodate; Hokkaido University of Science; Hokkaido Information University; National Institute of Technology, Tomakomai College; National Institute of Technology, Asahikawa College; National Institute of Technology, Hakodate College
Collaborating institutions:	Asahikawa Medical University; Obihiro University of Agriculture and Veterinary Medicine; Hokkaido University of Education; Sapporo City University; Chitose Institute of Science and Technology; Fuji Women's University; Rakuno Gakuen University; Hakodate University; National Institute of Technology, Kushiro College

* If selected, the university to which the applicant belongs must sign a sponsored research agreement with the JST. **The university cannot sign an agreement with the JST unless it is a partner institution.** If the university to which you belong **is a collaborating institution, it must become a partner institution.** Please contact the office listed under 'about partner institutions' on page 7 of these call for submission guidelines before submitting an application.

Requirements for principal investigators:

The principal investigator for the research and development project must meet **all** the following requirements:

- (1) At the time of application and during the research period, is a researcher or student (master's or PhD course) at the respective university or other institution and the person who invented or a person who was involved in inventing the seeds that are central to the research and development project. When submitting an application, it is preferable to have obtained a patent for the respective research results. However, we will also consider applications based on research results (such as software) for which a patent application is pending or scheduled or for which no patent application will be filed. For example, we may also accept cases in which AI technology created as research results at a university or other institution or research results in the humanities or social sciences will be used to attempt to resolve social issues. However, undergraduate students are not eligible.
- (2) Aims to contribute to society with the research results of the university or other institution by establishing or commercializing a startup business using the seeds.
- (3) Has obtained consent from the inventor of the seeds and the institution or other party to which the seeds belong (e.g., patent applicant) to implement the startup company created through this call for submissions.
- (4) Understands the purpose of forming a startup ecosystem that is the aim of this platform (HSFC) and aspires to contribute to the ecosystem (see page 1 and 2 of these guidelines

for details about the purpose).

If the principal investigator is a student (master's or PhD course), they must also meet the following requirements (5) to (7):

- (5) Can ensure that you will continue building the framework and engaging in commercialization to establish the business even after graduation. (As a rule, the principal investigator cannot be changed.)
- (6) Submits a confirmation form (Form 3) signed by both the student and their supervisor that can confirm that, "an agreement has been reached between the student and the affiliated institution regarding the handling of intellectual property rights resulting from research results."
- (7) Research and development costs are limited to a maximum of 5 million yen for a maximum of four years (total period for Step 1 and Step 2) (However, up to 10 million yen in spending may be allowed if deemed necessary by this platform (HSFC).)

Conflicts of interest of the principal investigator:

Care should be taken to appropriately manage conflicts of interest between those participating in the project and other relevant individuals.

Research and development projects selected in the past:

You may apply again for research and development projects that were selected in previous HSFC-related GAP Funds (FY2021 or FY2022) based on the premise that the project would become closer to commercialization with additional support. However, **you cannot apply for Step 1 for research and development projects selected in the FY2022 GAP Fund 'business challenge' category.**

Restrictions on overlapping applications by principal investigators:

The same principal investigator cannot apply for two or more funds of the following at the same time. Also, except for the final year, you cannot apply for a second fund if one is already in progress. Although there are no restrictions at the application stage, if you have applied for multiple funds and one is accepted, you will have to decide whether to use the fund that was accepted and withdraw the others that are in the application process or withdraw the fund that was selected to wait for the screening results of other funds that are in the application process. In addition, the same principal investigator cannot apply for multiple projects in this call for submissions.

(Funds that are eligible for overlapping application)

- Program to support activities with the aim of starting a business

New Industry Creation Fund for University Startups:

- Deep Tech Startup International Expansion Program
- Research and development project within the Startup Ecosystem Co-creation Program (this call for submissions)
- Entrepreneurship demonstration support
- Feasibility testing (proposal of startup strategy)

Research results deployment program - New Industry Creation Program for University Startups (START):

- Entrepreneurship demonstration support
- Business model testing support
- SBIR phase 1 support
- University and ecosystem promotion type, research and development project within support for forming a startup ecosystem
- University and ecosystem promotion type, research and development project within university promotion type

- Program to support activities with the aim of transfer of technology

New Industry Creation Fund for University Startups:

- Feasibility testing (proposal of company collaboration)

Research results deployment program - New Industry Creation Program for University Startups (START):

- SBIR phase 1 support

* For details, see page 39 to 42 of the guidelines for calls for submission for JST fund programs Guidelines for a call for submissions for the Startup Ecosystem Co-creation Program for the New Industry Creation Fund for University Startups, Supporting the Co-creation of a Platform for a Base City/Supporting the Co-creation of a Regional Platform

https://www.jst.go.jp/program/startupkikin/common/files/2023youkou_su-ecosys.pdf

Handling of personal information:

Regarding personal information provided in connection with this call for submissions, we will follow the laws concerning the protection of personal information and other relevant laws and regulations and will only use personal information within the scope necessary for achieving the aims of this call for submissions. Application forms will be used as documents for evaluation and selection for this call for submissions. Confidentiality concerning the application content will be strictly protected. Information that is needed for operations will be shared with JST.

Diversity:

We promote diversity in this call for submissions. We can only open the path to a new world when

people with diverse specializations and values participate, share ideas, co-create, and collaborate, regardless of age, gender, or nationality. Presently, active participation by women is viewed as central to growth strategy as Japan's greatest potential. Increasing the participation of women in research and development is also important, and we hope women in research will actively apply to this call for submissions as diverse human resources supporting science and technology innovation.

Costs eligible for subsidization:

Overview: (Direct expenses) The following are expenses needed directly for research

(1) Supplies	Research facilities, equipment, and prototypes, software (existing products), expenses for purchasing publications, expenses for purchasing reagents, materials, and consumables for research * Only purchase what you deem absolutely necessary after fully examining the necessity and appropriateness based on what is already available.
(2) Travel	Travel costs for the principal investigator and research participants listed on the application, travel costs for inviting guests such as outside experts. * Based on the regulations for travel expenses of the affiliated institution.
(3) Labor costs and honoraria	Labor costs for researchers employed for the research and development project (excluding the principal investigator), dispatch costs, expenses such as honoraria for requested lectures. * Terms and conditions related to employment contracts are based on the regulations of the affiliated institution. * Excludes labor costs for the principal investigators and those whose labor costs are covered by the government, for example through operational subsidies or private school subsidies at the university or institution. * Cannot be used for honoraria for research participants in the same team even if they are affiliated with a different institution.
(4) Other	Expenses for research and development other than the above. e.g., shipping costs, leasing costs, subcontracting costs, software licensing costs. * Can be used for expenses for patent searches for building a strategy towards creating a startup.

Setting of targets and milestones:

On the application form for this call for submissions (Form 1), you will set targets to achieve by the end of the project in this program and set commercialization and research and development milestones to achieve those targets. When setting targets (Step 1, Step 2) and milestones (Step 2 only), please refer to 'Reference: Examples of milestone target setting (examples of targets to achieve by the end of each step).' The appropriateness of targets and milestones is one key part of evaluation. (For Step 1, targets to achieve by the end of the project are milestones.)

4. Application procedure and schedule

Before application:

- (1) Submit the entry sheet before submitting an application. (Deadline is noon on Friday, May 31)
- (2) E-learning program

Before applying, you must watch the e-learning program online learning material. It is short and provides basic information about startups and commercialization that is useful for creating an application.

- (3) Group training, individual consultations

Group training is held for tentative applicants who have submitted an entry sheet to receive points on creating an application from startup experts (commercialization promoting organization). We also provide individual consultations upon request for information on points such as how to write the application. The application requires a different sense from academia, for example in the startup and commercialization approach and in the setting of milestones, and we strongly recommend taking the training course.

Application procedure:

(1) Documents for submission

Form 0: Entry Sheet (You must submit this if you are planning to submit an application to this program.)
Form 1: Application Form (Outline of research and development project)
Form 2: Project Budget Proposal
Form 3: Agreement Confirmation Form (only if the principal investigator is a student)

(2) Application period

(1) **Entry sheet: Noon on Friday, May 31, 2024**
(2) **Application forms (Form 1 to 3): Registration completed by noon on Friday, July 12, 2024**

(3) Submission method

- (1) Entry sheet: Send Form 0 by e-mail to the address below with the subject, 'GAP Fund entry.'
E-mail: start-gap@noastec.jp
- (2) Application and other forms: Submit forms 1 to 3 using the NOASTEC subsidy application system.

* Details will be provided to those who submit entry sheets. If you do not hear from NOASTEC by June 3, please contact the section below.

(4) Inquiries:

About the HSFC GAP Fund:

NOASTEC (Northern Advancement Center for Science & Technology)

GAP Fund Section, Industry-academic Collaboration Support Department
E-mail: start-gap@noastec.jp Phone: 011-708-6536

General inquiries about the HSFC and about partner institutions

HU Startup Administration Bureau, Institute for the Promotion of Business-Regional
Collaboration, Hokkaido University
Email: hsfc-jimu@mcip.hokudai.ac.jp Phone: 011-706-9556

5. Procedure after screening and selection

Points for evaluation:

To select projects after the call for submissions, external screening panelists in a screening committee formed by NOASTEC conduct a first screening (of documents) and a second screening (interviews) using the evaluation points below, and the Hokkaido Startup Future Creation Development by Mutual Support Networks Promotion Council selects projects.

Note that you may not make the second screening (interviews) depending on your results in the first screening.

* Shown separately for Step 2.

Step 1:

Screening items	Screening points
Accumulation of foundational research results	<ul style="list-style-type: none">- Have you accumulated sufficient foundational research results?- Have you obtained sufficient external funding such as a Grant-in-aid for Scientific Research?
Potential for commercialization	<ul style="list-style-type: none">- Have you formed a use hypothesis for commercialization?- Are test items appropriate for testing performance based on the use hypothesis?- Have you set milestone for Step 2 (Startup formation framework) and on?
Status of seeds and intellectual property	<ul style="list-style-type: none">- Does the research and development show originality and novelty?- Are there prospects for obtaining, in principle, a basic patent at the end of the program?
Appropriateness of the project framework and scale	<ul style="list-style-type: none">- Are the research and development framework and schedule appropriate?- Is the scale and use of research and development expenses appropriate?- Do you have a framework for receiving advice from commercialization promoting organizations and expert mentors?
Overall evaluation	<ul style="list-style-type: none">- Does the seed show prospects for major growth in the international market?- Will it potentially have a large social and economic impact?

Only for the Agrifood category:

Screening items	Screening points
Agrifood Contribution to the sector	<ul style="list-style-type: none">- Will it potentially have a large impact on the agrifood sector?

Second screening (interviews):

Applicants who pass the first screening are generally asked to participate in the second screening (interview). The principal investigator explains their application content in a PowerPoint presentation to the screening panel and the screening panel examines it based on the presentation and document screening evaluation. Details on the second screening will be provided separately to applications who pass the first screening.

Final screening (decision by participating organizations):

A final screening of selected research and development projects based on the results of the first and second screenings is conducted by the Hokkaido Startup Future Creation Development by Mutual Support Networks (HSFC) Promotion Council made up of participating organizations.

Finalization of selections and notification:

A decision on selected research and development projects will be made in September 2024, and principal investigators will be notified of the results through their affiliated institution.

Research and development expenses:

For research and development expenses, after the research and development project has been selected, the affiliated institution of the successful applicant will sign an outsourcing contract with the JST. When executing research and development expenses, please read the office processing manual specified by the JST below.

See below. * If the FY2024 version has been released, please refer to that version.

FY2023 Contract Research Office Processing Manual (general)

<https://www.jst.go.jp/contract/download/2023/2023a301manua.pdf>

FY2023 Contract Research Office Processing Manual (supplement)

https://www.jst.go.jp/contract/download/2023/2023_daigakuhatsu_hokan.pdf

Activities after selection:

- (1) After selection, successful applications will participate in the entrepreneurship activity support program specified by the HSFC during the program period.
- (2) We will announce a Research Results Presentation Session (tentative name) as a platform for announcing business models for commercialization and research and development results.
- (3) Information about selected research and development projects such as the project title and principal investigator will be posted on the website.
- (4) Points about selected research and development projects such as progress of targets and milestones listed in the application will be evaluated by the screening panel.
- (5) When you have launched the startup, please contribute to the development of the ecosystem specified by the HSFC.

Schedule (tentative):

Entry sheet submission: Noon on Friday, May 31, 2024

The principal investigator emails the entry sheet to NOASTEC.



Participation in e-learning program

The principal investigator takes the online e-learning program before applying.

Participation in group training and individual consultation session

Tentative applicants participate in group training and individual consultation session provided by the HSFC if possible.



Submission of application: Between Monday, June 3, 2024, and noon on Friday, July 12, 2024

The principal investigator submits application forms using the NOASTEC subsidy application system.



First screening (documents): From mid-July 2024 to early August 2024

The screening panel conducts a screening based on the applications.



Notification of results of first screening (documents): Early August 2024

The principal investigator is notified of the results of the first screening (documents) through their affiliated institution (and given information about the holding of a second screening).



Second screening (interviews): Late August 2024

The screening panel conducts a screening based on presentations by principal investigators.



Final screening (Hokkaido Startup Future Creation Development by Mutual Support Networks Promotion Council: Early September 2024

After screening by this council, a final decision is made on which research and development projects to select.



Selection decision and notification: Early September 2024 (tentative)

The principal investigator is notified of the selection results through their affiliated institution.



Participation in basic program: October 2024 to September 2025

Selected principal investigators and others participate in a basic program on commercialization to learn entrepreneurial expertise, brush up on business models, and receive support for conducting customer interviews.



Participation in Research Results Presentation Session (tentative name): February 2025 (TBD)

Those whose research and development projects were selected can opt to present the results of their activities for commercialization to investors at this event to accelerate their progress towards commercialization.



Participation in Milestone Evaluation Session (tentative name): August 2025 (tentative)

Points about selected research and development projects such as progress of targets and milestones listed in the application will be evaluated by the screening panel.