

SuMi's Coffee Break Column - Japan to Showcase Green Transformation at the Horticultural Expo 2027, Yokohama

Written by Katsunori Ogawa, Chief Portfolio Manager

While many people know that Osaka will host the upcoming World Expo in 2025, not many are aware that there is another international scale event on the horizon for Japan: The Horticultural Expo 2027, Yokohama. This huge event is expected to draw 15 million visitors and showcase Japanese horticulture to the world. It is not the first time Japan has produced an expo of this kind; thirty years ago, Japan's first large-scale horticultural event 'Expo 1990 Osaka' welcomed 23 million visitors during its six-month run (1). While at its core the Expo promotes horticultural and landscaping culture and technologies, its exhibits seek to educate visitors on how those domains connect to their everyday lives directly and on a larger scale.



The Yokohama Expo is seeking to build a legacy that lasts beyond 2027 by "proposing solutions to international issues, including global environmental challenges and developing future societies." (2). To achieve this the Expo plans to introduce exhibits that will offer visitors the opportunity to learn about topics such as the real-world deployment of green infrastructure.

As part of this wider mission, we are keen to see how the Expo will spotlight green transformation (GX) at its Urban GX Village pavilion. You may not be familiar with the term, but GX is a crucial part of Japan's toolkit to meet its climate change targets. We consider the Expo a great opportunity to raise awareness of this very important topic amongst the Japanese and visitors from overseas.

Although Japan has a firm commitment to reduce its greenhouse gas emissions 50% (3) by 2050, several factors prevented it from making progress until recently. One of the most important being the aftermath of the Great Tohoku Earthquake in 2011. Japan's emissions targets had been created with the understanding that nuclear power would make a large contribution to the cuts. However, it became clear after the Fukushima

Dai-ichi Plant incident and following power shortages that nuclear would not be able to fulfil this role as once hoped. Therefore, to meet its goals, Japan plans to develop new technologies to cut its reliance on fossil fuels. GX was presented as the solution in 2022 by Prime Minister Fumio Kishida, and in February 2023 the Japanese government published its official definition and roadmap.

GX requires a complete pivot from fossil fuel energy sources to ones based on clean energy, defining that on a high level as wind, geothermal, hydro, biomass, and hydrogen amongst others. Japanese companies are required to push forward with the development of innovative technologies that either produce these types of clean energy or use it in their products and services, for example, via the design and production of next-generation cars and aircrafts. Therefore, there is a connected GX growth story taking place across Japan. Despite being hugely important to meeting its climate goals, the average Japanese citizen is still not familiar with the term GX and therefore this Expo can help raise awareness of the topic.

Let's look at some of the companies innovating in the GX space. One company is Daikin Industries (6367), a global leader in high-quality air-conditioning solutions. This company has a high share of the air conditioning market for both home and industrial use, and its strength is the manufacture of extremely energy-efficient products.

Another key name in the GX space is Kawasaki Heavy Industries (7012). This company has a wide business portfolio, covering land, sea and air and includes the production of aircraft, rolling stock and ships. The company is working on all parts of the hydrogen energy supply chain, including production, transportation, storage and utilisation of this non-carbon energy source.

The GX space is becoming more important every day and it is crucial that awareness spreads if the policy is to be successful at cutting emissions by 2050. Either of the companies above would be a leading candidate to show off its technologies at the Urban GX Village and help both drive public support for the policy and encourage other companies to innovate with clean energy or decarbonise completely. Ultimately, with extreme weather already causing havoc both in Japan and across the globe, GX must take centre stage even beyond 2027 if Japan is to meet its targets on emissions. We intend to keep a close eye on the progress of GX going forward and hope the Expo achieves a lasting legacy.

References

(1) [Expo 1990 Osaka \(bie-paris.org\)](https://bie-paris.org/en/1990-osaka)

(2) [Expo 2027 Yokohama \(bie-paris.org\)](https://bie-paris.org/en/2027-yokohama)

(3) [Together for Action: Japan's Initiatives for Achieving the Common Goal of Net Zero by 2050 | The Government of Japan - JapanGov -](#)

About Writer

Katsunori Ogawa, Chief Portfolio Manager of Sakigake HA

Katsunori Ogawa is the founder and Chief Portfolio Manager of the Sakigake High Alpha strategy. He has more than 25 years of experience in the asset management industry. Katsunori joined the firm in 1994 and started his asset management career as a client relationship manager for public pension funds in 1997. In 2003, he launched the original Sakigake strategy and after accumulating ten years of exceptional returns, an investor requested Katsunori manage the portfolio with a higher risk/return profile in 2013. This led to the creation of Sakigake High Alpha. He was one of the earliest managers to identify trends such as China's growing consumption and the proliferation of e-commerce, as well as the changes that high-performance semiconductors are bringing to Japanese society. He has been leading the team since the inception of the two strategies.

Katsunori has been honoured with the Japan Best Equity Manager award at the Asia Asset Management Country Awards for five consecutive years, from 2020 to 2024. He holds a BA in economics from Keio University, and is both a Certified Member Analyst of the Securities Analysts Association of Japan (CMA) and a Certified International Investment Analyst (CIIA).

