

Japan External Trade Organization

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JETRO Chicago Midwest NEWSLETTER

Illinois • Indiana • Iowa • Kansas • Michigan • Minnesota • Missouri • Nebraska • North Dakota • Ohio • South Dakota • Wisconsin

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JETRO to present Symposium on Asia Pacific Economic Integration on June 15

On Thursday, June 15, JETRO Chicago will present a symposium on Asia-Pacific Economic Integration and the Role of the United States & Japan in Chicago. This will be the fourth time since 2007 JETRO Chicago has organized this event.

Following President Trump's election in 2016 and subsequent American withdrawal from the Trans-Pacific Partnership (TPP), new questions have been raised about the future of economic integration in the Asia-Pacific region. Can TPP continue without the USA? What is the future of regional agreements like the Japan-China-Korea FTA and the Regional Comprehensive Economic Partnership (RCEP) between ASEAN, Japan, China, Korea, India, Australia and New Zealand? Experts from the U.S., Japan, China and Vietnam will examine the current status and future outlook for bilateral & multilateral free trade agreements in the Pacific. This analysis and dialogue will be of particular significance to the Chicago business community with business and investment interests in East Asia.

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Illinois and Japan: A Long and Special Relationship



Guest View

Bruce Rauner
Governor,
State of Illinois

The State of Illinois and Japan have a long and enduring relationship that dates back more than 140 years. It all started when Junior Prime Minister Iwakura Tomomi arrived in Chicago following the Great Chicago Fire of 1871 and offered a gift of \$5,000 to the Women's and Children's Fund.

Since that day, Illinois has recognized the long and special relationship between our countries. That is why our Administration's first

international trip was to Japan in 2015 to attend the Midwest-U.S. Japan Association Conference in Tokyo, and this last year we had the opportunity to once again attend the conference in St. Louis. It was a wonderful event where we had the opportunity to meet with JETRO Chairman and CEO Hiroyuki Ishige to underscore our strong partnership, as well as our lasting friendship with Ichiro Soné and Ralph Inforzato of JETRO Chicago.

See "Guest View: Gov. Rauner" page 6

Delivering News of Kizuna and Recovery



From the Chief Executive Director

Ichiro Soné
Chief Executive Director,
JETRO Chicago

Six years have now passed since The Great East Japan Earthquake and Tsunami on March 11, 2011. To commemorate the sixth anniversary, we held our annual "KIZUNA" (bond of emotion/friendship) business seminar in Chicago, in cooperation with the Consulate General of Japan and the Japan America Society of Chicago.

We also sent a KIZUNA speaker to the Japan Update Annual Conference in Indiana

organized by the Japan America Society of Indiana. We wanted to provide the latest information on Tohoku's recovery, and most of all, to show our sincere appreciation to the people of the U.S. Midwest for their heartfelt and generous support for Japan in its time of need. I would like to note that during his April trip to Tokyo, Vice President Mike Pence used the term "KIZUNA," in describing the close ties between the United States and Japan. In 2013 at a meeting to discuss Japan's recovery situation from The Great East Japan Earthquake, my predecessor Tatsuhiro Shindo, first explained the importance of KIZUNA to then State of Indiana Governor, Mike Pence.

We presented perspectives on the recovery from a local government official from Miyagi as it had the worst damage among the three main prefectures (Iwate, Miyagi and Fukushima) affected by the disasters. We also wanted to provide an update on the nuclear power plant in Fukushima because the American people have paid much attention to the ongoing situation.

We were very fortunate to have distinguished speakers: Mr. Yoshiyuki Takasago, Director-General in charge of Commerce and Industry at the Miyagi Prefectural Government; and Dr. Robert Priddy, Engineering Lead at Atkins Nuclear Solutions U.S., which specializes in the fire protection systems which operate at Fukushima Daiichi Nuclear Power Plant (NPP).

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In a January 26 ceremony in Indianapolis, The Order of the Rising Sun, Gold and Silver Rays was conferred upon JETRO Chicago's dear friend Ms. Theresa A. Kulczak, Executive Director, Japan America Society of Indiana, in recognition of her significant contribution to promoting friendly relations and mutual understanding between Japan and the United States. The award was presented by The Honorable Toshiyuki Iwado, Consul-General of Japan in Chicago and was celebrated by more than 200 of the society's members, community, business leaders, family and friends. Above, Theresa Kulczak is joined by Ichiro Soné.

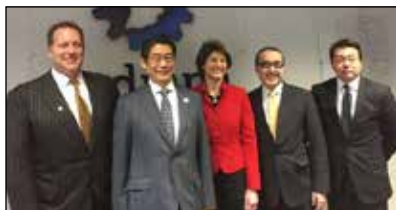


On February 23, The Japan-America Society of Indiana held its annual Japan Update conference in Indianapolis. The event provides a yearly business, economic and international relations outlook for Japan, Indiana and Asia. Among speakers were Indiana Governor Eric Holcomb and JETRO Chicago's Ichiro Soné.

Above left: Ichiro Soné, Governor Holcomb, and Melanie Walker, President TASUS Corporation, CEO, Tsuchiya Group North America, who was also on the program. Above right: Governor Holcomb welcomes Shigeki Tonoike, President & CEO, Tonoike Shuzouten Co., Ltd., a Sake Brewery in Tochigi, Japan.



On Thursday, March 16, Ichiro Soné, along with Consul-General Naoki Ito, were welcomed by Iowa Governor Terry Branstad in his office in Des Moines.



Honorary Consul of Japan in Indianapolis Pete Morse, Jr., Barnes & Ibornburg; Consul-General Ito, Consulate-General of Japan in Chicago; Elaine Bedel, President, Indiana Economic Development Corporation; Ichiro Soné, JETRO Chicago; Kai Chuck, Indiana Economic Development Corporation



(Left) On February 24 in Indianapolis, Ichiro Soné met with Victor Smith, Partner of Bose McKinney & Evans LLP, and former Secretary of Commerce for the State of Indiana.

(Right) Jim Alexander, Vice President Economic Development, St. Louis Regional Chamber, visited the JETRO Chicago office recently and met with Ichiro Soné.



On January 24, JETRO Mexico hosted a small Invest Japan seminar in Monterrey, Mexico with about 50-60 attendees, where JETRO Chicago's Kevin Kalb spoke on "Automotive Industry Trends and Investment of U.S. Companies in Japan". The goal of the event was to promote FDI into Japan from Mexico. Kalb gave U.S. examples of companies and also talked about Monozukuri. Metals, one company that spoke at the event, talked about their successful growth in Japan.

Above, from left: Héctor Villarreal Muraira, Executive Director, COMCE Noreste; Tadashi Minemura, Chief Executive Director, JETRO Mexico; Kevin Kalb, Project Coordinator, JETRO Chicago; Raúl Villarreal, Toyota Project Management Coordinator, Metals; Jesús Octavio González M., Service Director, COMCE Noreste.



(Above) Ken Kasabara, JETRO Chicago's Director of Research & Promotion/Agriculture, spoke at a FSMA Update Seminar in January 2017 to several hundred Japanese food company representatives in Tokyo. He also presented the update in Osaka and around the U.S. to provide information on the FDA's Food Safety Modernization Act to Japanese food-related industries.

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Building Ties Between the Cereal City and the Land of the Rising Sun



Guest View

Joe Sobieralski
President & CEO
Battle Creek Unlimited
Battle Creek,
Michigan

After months of planning and preparation, the big day had finally arrived. It was early morning on Wednesday, November 9, 2016. I was up early preparing for a Battle Creek Unlimited (BCU) Board of Directors meeting scheduled to

begin at 7:30 a.m. It was my ninth day as the new President & CEO of BCU. The day before, I had stayed up into the wee hours of the morning watching the presidential election results. I had also been unable to sleep due to my excitement: a few hours after the board meeting, I would head to the airport to begin my trip to Tokyo. This was my first trip to Japan as the head of BCU, an economic development organization with a long history of partnering with Japanese companies.

Two planes and 18 hours later, I walked out of the Customs area at Narita Airport to meet Ken Masumoto, BCU's Japan Consultant and a long-time supporter of Battle Creek, Michigan. We immediately set off on our tour of Japan, with more than 16 company visits planned over nine days. Two hours after landing in Japan, we were in our first dinner meeting. By this time, I had been awake for nearly 24 hours, but with the excitement of meeting new people and experiencing a new culture, I was ready to stay up for another 24.

BCU makes it a priority to take an annual trip to Japan to visit the leaders of companies which have located in Battle Creek. This allows us to personally show our appreciation for their continued investment in Battle Creek. It also enables our organization to better understand their needs and concerns related to their domestic and international business strategies. It is a tradition that dates back nearly 40 years to longtime BCU CEO Jim Hettinger. The 40-year relationship between BCU and Japan has made Battle Creek home to 19 Japanese companies representing thousands of employees. Today, many people are surprised to learn that in Battle Creek, famously known as the "Cereal City," the largest employer is actually DENSO Manufacturing Michigan, which has nearly

3,000 people.

BCU has strategically focused on Japan as a source of foreign direct investment because it

is among the most technologically advanced countries in the world. That was true back in the 1970s when BCU initially adopted this strategy and it continues to be true today. Additionally, the Japanese business model focuses on long-term strategies and strong partnerships, which results in sustained investments and job stability for our local community.

My trip last year was particularly important as it came right after the U.S. presidential election. In every single visit we had, there was great uncertainty about the new administration's policies towards business and foreign investment.

This trip solidified for me the importance of taking the time, allocating resources, and meeting face-to-face to build relationships and trust. While it was my first visit to Japan, I was continuing a long tradition that has been very good for business and investments for Battle Creek. You must experience it firsthand to truly understand the importance of such a personal interaction with foreign business leaders halfway around the world. You truly begin to understand the sacrifices that have been made on the Japanese side to pursue business in the United States. Japanese executives typically make several trips to the U.S. that lead to jet lag. Reciprocation is a must. If I were to give advice to anyone, I would suggest they think about the hurdles they might encounter doing business in a country that is foreign to them. The simplest things that we take for granted can be hard to understand or even comprehend. You must go and address these concerns and build the trust that is so crucial to FDI.

In Japan, I experienced a kind society that places great emphasis on respect, quality, style and cleanliness. The food and culture are excellent and the bullet train and mass transit systems are impressive to say the least. I am already looking forward to my next visit to Japan, for business discussions over green tea and then some incredible food and delicious sake.



Japanese Life Science Companies to Exhibit at BIO 2017 International Convention In San Diego

JETRO Chicago will once again coordinate the Japan Pavilion at the 2017 BIO International Convention, to be held at the San Diego Convention Center from June 19-22. Approximately 20 companies from Japan will be on display in the Japan Pavilion (Booth 1911), exhibiting some of the most cutting edge biotechnology from Japan.

Organized annually by the Biotechnology Innovation Organization (BIO), the BIO International Convention is one of the largest biotech events in the country. More than 16,000 life science professionals from over 70 countries are expected to attend BIO 2017, including more than 2,500 CEOs.

The Japan Pavilion will feature innovative Japanese life science

companies and research organizations. The Japanese delegates will exhibit in the Pavilion, attend the convention's education sessions, and utilize BIO's One-on-One Partnering System to meet potential strategic partners. On Tuesday, June 20, the Japan Pavilion will host an Exhibitor Hospitality Reception from 5:00-6:30 PM. JETRO has organized the Japan Pavilion at BIO since 2003.

More details about JETRO's participation at BIO 2017, including detailed exhibitor profiles, will be posted on the JETRO website (www.jetro.org). To schedule a meeting with one of the Japanese delegates during BIO 2017, or for more information on opportunities in Japan's life science sector, contact Kelly Highland at kelly_highland@jetro.go.jp

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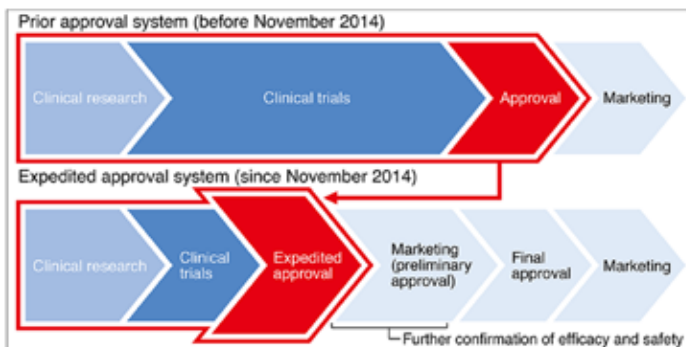
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Japan Takes the Lead in Regenerative Medicine

In recent years, the Japanese government has identified a number of priority sectors that it is trying to build up in Japan. These include financial technology, medical devices, aviation/aerospace and Internet of Things (IoT). While progress has been made in all of these sectors, the most dynamic changes have taken place in the area of regenerative medicine. Over the past five years, Japan has positioned itself to be the global leader in regenerative medical therapies, and international life science companies are taking note.

In Japan, regenerative medicine is defined as a cellular or tissue-based product which is cultured or processed from human or animal cells / tissues for the purposes of: reconstruction, restoration or formation of structures and functions of the human body, and prevention or treatment of diseases. Japanese regulators include products transfected into human cells/tissues for the purpose of gene therapy. By 2050, the global market for regenerative medicine is expected to be as much as \$345 Billion USD.

In 2014, two new laws governing regenerative medicine went into effect in Japan. The Pharmaceuticals and Medical Devices (PMD) Act creates a new subcategory for “regenerative medicine” and establishes an expedited conditional approval regime for regenerative medicine products. This conditional approval system allows companies to bring regenerative medical therapies to market faster than anywhere else in the world. There are strict safety standards in place and companies are required to provide detailed data to the Ministry of Health, but this new system gives Japan a significant advantage over other countries. Moreover, Japan has a national healthcare system and insurance will cover these new therapies, which gives foreign companies even more incentive to do bring their products to market first in Japan.



Shortening the development period under expedited approval system: By comparison with the previous approval process, this system provides for a major shortening of the time required for approval of pharmaceuticals, subject to further confirmation after marketing, followed by a review of the approval.

The second law enacted in 2014 was the Act of the Safety of Regenerative Medicine (ASRM), which sets standards for manufacturing regenerative medical products and creates a system for the outsourcing of cell processing. This will allow businesses other than hospitals and research institutes to produce cells for medical use. As a result, a number of major international contract manufacturing organizations (CMOs) have begun the process of expanding into Japan.

Another major development was the establishment of the Japan Agency for Medical Research and Development (AMED). Launched in 2015, AMED was jointly set up by the three government ministries: the Ministry of Education, Culture, Sports, Science and Technology (MEXT),

the Ministry of Health, Labour and Welfare (MHLW); and the Ministry of Economy, Trade and Industry (METI). AMED is similar to the National Institutes of Health in the USA. It is tasked with leading Japan's life science R&D efforts and coordinating partnerships between academia and industry. With the creation of AMED, the government is focused on being more strategic and efficient in how it funds medical research.

Minnesota Regenerative Medicine Seminar

To promote the opportunities created by these recent steps, JETRO Chicago organized a seminar in Minnesota on Thursday, February 9. The event was co-organized with the Medical Alley Association, the state's medical technology trade group, and supported by the Japan America Society of Minnesota, the Minnesota Trade Office, Greater MSP, the U.S. Commercial Service and the Minnesota High Tech Association.

Ralph Inforzato and Robert Corder from JETRO Chicago provided an overview of the recent regulatory reforms and explained how JETRO is working with life science companies to take advantage of opportunities in Japan. Gil Van Bokkelen, Chairman and CEO of Athersys, also shared his views on the Japanese market and talked about his company's strategic partnership with Healios, a Japanese company.

Athersys, based in Cleveland, Ohio, is developing MultiStem, a stem cell product for the treatment of diseases in the inflammatory and immune, neurological, and cardiovascular disease areas. Athersys is working with Healios to commercialize MultiStem for the treatment of ischemic stroke in Japan.

Dr. Van Bokkelen explained that the government's recent moves were motivated by a strong desire to bring cost-effective medical treatments to the Japanese people, as well as to cement their place as a global life science leader. He talked at length about his interactions with representatives from the Ministry of Health and the Pharmaceutical and Medical Device Agency (PMDA).

Dr. Van Bokkelen made a strong case for foreign companies doing business in Japan. He noted that Japan is the world's second largest health care market after the USA and that its national healthcare system makes reimbursement far simpler than in the U.S. or Europe. Dr. Van Bokkelen emphasized that there is good support from JETRO and the Forum for Innovative Regenerative Medicine (FIRM) for foreign companies interested in Japan.

To learn more about Japan's regenerative medicine market or how JETRO can help life science companies do business in Japan, contact Ralph Inforzato at ralph_inforzato@jetro.go.jp



Dr. Gil Van Bokkelen, President & CEO of Athersys, a regenerative medicine company from Cleveland.



Ichiro Soné with Dr. Gil Van Bokkelen and Katbleen Motzenbecker, Senior Vice President at Medical Alley Association.

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JETRO Chicago Events Highlight Japan's Sake and Food

On February 24th and March 13th, JETRO Chicago invited members of the U.S. food and beverage industry to two distinct events showcasing the diversity and quality of products from Japan. Motivated by the Japanese government's goal of reaching one trillion yen (about ten billion dollars) in global food exports by 2019, and the importance of a market the size of the U.S., JETRO recognizes the value of introducing products directly to buyers. The February event focused solely on sake while a broad variety of products were exhibited in March.

This is an opportune time to take advantage of the developing sake market in the Midwest which still lags behind both coasts. So, to increase familiarity with Japanese sake here even more, in the evening following the February 24th BtoB show, JETRO also held its first-ever consumer tasting event. It offered the public a rare opportunity to compare sake types, styles and flavors while learning about them from producers and experts. Guests came away with tips on serving and pairings as well as the firsthand experience of just how enjoyable sake can be. More than 350 people attended the three events.

Held February 24 at the historical Cultural Center of Chicago, both the industry and consumer events offered nineteen tables of over 100 sakes with many presented by their own brewers from Japan.

Joining the brewers, whose visit was organized by The Japan Sake and Shochu Makers Association (JSSMA), were eight U.S. sake importers and distributors. Attendees learned how the varieties of sake rice used, percent of the grain's outer layer removed, a region's unique water, and even the season affect a sake's type and flavor.



Guests sample sake at the February 24 tasting event at the Chicago Cultural Center



Along with the tasting, speakers Monica Samuels, National Sake Sales Manager of Vine Connections, and Yukio Hamada, Senior Managing Director of JSSMA, explained how temperature, light and age affect sake, how using a wine glass can enhance sake drinking and how delicious sake can be paired with non-Japanese food, in particular with cheese. Samuels guided the audience through tastings of various cheeses with sakes to experience how well they work together.

JETRO's March 13 BtoB event held at Kendall College also keyed into the

Midwest's growing interest in Japanese food, made clear by the increase in restaurants now using traditional Japanese ingredients. In addition to the sixteen suppliers offering Japanese sake and whisky, green teas, chocolate, Wagyu beef, seafood, wasabi, artisanal soy sauces, juices and vinegars, two presenters shared their sake pairing suggestions.

Chef Hisanobu Osaka, Corporate Chef of the Lettuce Entertain You Enterprises restaurant group, prepared his salmon confit recipe combining traditionally Western ingredients with Japanese shio kombu (salty, seasoned seaweed) and yuzu (a citrus) juice. Attendees tried the rich, flavorful dish with an extra dry, full-bodied Junmai Ginjo sake.

Speaker Giles Schnierle, President of Great American Cheese Collection advised tasting a sake before trying a cheese as the butterfat in cheese coats the tongue's receptors. Then follow the cheese with another sip of sake to try them together. Having no tannins, low acidity and "wonderful layering," sake complements many cheeses, including aged parmesan, blue and smoked types, Schnierle said. The audience compared pairing his fresh goat cheese and aged cheddar with two different sakes: a fruity, umami rich Junmai and a bright, sweet Junmai Daiginjo.

Kristen Lorenz, Director of Education and Culinary Development of Rishi Tea, spoke on the Wisconsin importer's long relationships with tea growers in Japan practicing "exquisite quality and dedication to organic cultivation." Japan, she said, is known for steam heat processing methods so its teas require a cooler water temperature and shorter brewing times than other green teas. They have a uniquely fresh bittersweet and umami flavor to them as well as a vivid green color. Lorenz called Japan's shade-grown, stone-milled matcha powder the "espresso" of tea, and "versatile and delicious in culinary applications."

JETRO Chicago will continue to promote Japan's finest products to the Midwest market, an effort sure to please dedicated enthusiasts and new fans alike.



Chef Hisanobu Osaka demonstrates a dish to pair with sake.



Exhibitors discuss their sakes with attendees on March 13.

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Guest View: Gov. Rauner ... from page 1

Our administration is deeply proud of the history between Japan and Illinois. Today, this legacy of partnership continues through our office in Japan, which is one of the oldest State Trade and Investment Offices in the country, dating back to 1983. Our continued presence in Japan shows our commitment to the marketplace. Furthermore, the State of Illinois and Niigata Prefecture have a sister-state relationship established in 1990, which facilitates mutually beneficial economic, educational and cultural exchanges. Additionally, at the municipal level, Japan and Illinois have a rich history of sister city relationships, with over nine agreements today.

Our partnership has become part of our society in Illinois with a rich collection of Japanese cultural, community and business organizations that enhance our State and provide an unprecedented level of camaraderie for those from Japan that now call Illinois home, including:

- Chicago Futabaki Japanese School
- The Mitsuwa Marketplace – one of the largest Japanese supermarkets in the U.S.
- The Consulate-General of Japan in Chicago
- Japanese Chamber of Commerce and Industry of Chicago
- Japan American Society of Chicago
- Japanese American Service Committee

Our Economic relationship is stronger than ever. There are over 348 Japanese companies at 1,206 locations across our state, employing over 49,000 Illinoisans. We are exceptionally grateful for Japanese investment within our state, and we will continue to work together to find more ways to strengthen this relationship.

The overall economic snapshot looks like this:

- Illinois ranks 4th among the 50 U.S. states in exports to Japan
- Illinois ranks 4th among the 50 U.S. states in imports from Japan



JETRO Chairman Hiroyuki Ishige with Illinois Governor Bruce Rauner and JETRO Chicago's Ichiro Soné.

Looking ahead, the future of our partnership is brighter than ever before. As our dual strength in manufacturing continues, a new era evolves in advanced manufacturing, providing us new opportunities to find solutions and address the critical problems of today. My hope is that we can continue to work together to find ways to connect our institutions to lay the foundation for world-class partnerships that bring together government, business and academia – similar to what we have done with the Digital Manufacturing and Design Innovation Institute in Chicago.

Additionally, we would like to identify ways to further integrate cutting-edge R&D from our world-class universities such as the University of Illinois, University of Chicago and Northwestern University with those in Japan to identify cutting-edge technology that addresses efficiency and meets the needs of tomorrow.

We will continue to look for opportunities to further deepen our robust Sister-State and Sister-City partnerships to further elevate not only our cultural exchange but also our scientific and economic exchange.

Anything is possible today, given the respect, partnership and trust amongst us. Anything is possible today – just look, Illinois is now home to the 2016 World Series Champions Chicago Cubs!

Arigato Gozaimashita!

Results of “JETRO’s 2016 Survey on Business Conditions of Japanese Companies in the U.S. and Canada”

From September 15 to October 28, 2016, JETRO conducted its latest survey on the current status of management among Japanese-affiliated companies in the U.S. and Canada. The results of this survey were published in January, 2017.

Only manufacturing companies were surveyed in the U.S., while both manufacturing and non-manufacturing companies were surveyed in Canada.

The questionnaire was sent to 1,027 Japanese companies in the U.S. (manufacturing only). 706 responded, a 68.7% response rate. Topics included (1) Business performance, (2) Direction of future business expansion, (3) Responses to changing business environment.

Highlights of the survey on business conditions of Japanese companies in the U.S. include:

- 77.5% of the companies forecast an operating profit. This is the fifth consecutive year in which it was over 70%.

- A majority of procurement and sales are in the U.S., at average ratios of 57.2% and 81.5% respectively. 27.2% of Japanese companies in the U.S. utilize NAFTA, but procurement from and sales to NAFTA partners (Canada and Mexico) are limited at average ratios of 2.7% and 8.5% respectively.
- While a majority of the companies suffer a negative impact from exchange rate fluctuations, the impact from lower crude oil prices is evenly divided between positive and negative.
- The IT/cloud/mobile field takes the lead for the first time as the market considered most likely to grow in the next two to three years, at 51.5%. This reflects companies’ interest in development of IoT technology in the U.S.

A more detailed summary can be found at: <https://www.jetro.go.jp/en/news/releases/2017/05d4f1748c5341c8.html>, along with a link to a 35-page report of results in a downloadable PDF.

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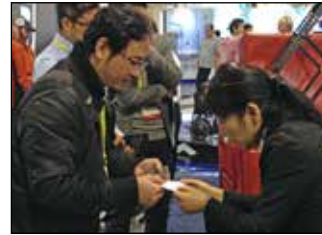
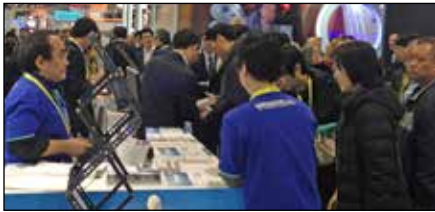
Japanese Robotics Technology Exhibited at CES 2017

From January 5-8, the 2017 International Consumer Electronics Show (CES) packed the Las Vegas Convention Center and Sands Expo, setting new CES records with nearly 3,900 exhibitors and over 177,000 attendees from around the world. CES continues to be a focal point for companies involved in the consumer technology industry as well as a global launching point for innovation and technology. Technologies at CES 2017 highlighted the entire tech ecosystem with the latest in 3D printing, sensors, wearables, robotics, automotive, smart home and the Internet of Things.

JETRO Chicago helped to bring cutting edge Japanese technology to CES 2017 with the Japan Innovation Showcase. Nine robotic technology companies were featured in the Showcase, which was located in the Robotics TechZone in the Sands Expo. The Showcase included five new exhibitors, Concordia Co., ITD Lab Corp., Rosnes Corp., Tokyo Decal Industry Ltd., and Tsubame Radio Co., Ltd. Likewise, four companies have exhibited with JETRO at CES in the past – Miraisens Inc., MJI Robotics, Paro Robots U.S., and Yukai Engineering. Each of the companies gained valuable access to business leaders, decision makers, innovators, and media to make for a successful CES Show.

Japan Innovation Showcase @ CES 2017

Concordia Co., Ltd.	http://www.concordia-cs.com/english/
ITD Lab Corp.	http://www.itdlab.com
MIRAISENS, Inc.	http://www.miraisens.com/
MJI Inc.	http://mjirobotics.co.jp/en
PARO Robots U.S., Inc. / Intelligent System Co., Ltd.	http://www.parorobots.com
Rosnes Corporation	http://www.rosnes.jp/index_en.html
Tokyo Decal Industry, Ltd.	http://www.tdicorp.co.jp/en/
TSUBAME RADIO CO., LTD.	http://www.tbm-japan.com/english
Yukai Engineering, Inc.	http://www.ux-xu.com/?language=en



JETRO Chicago Organizes 'Japan Innovation Showcase' at Ford Motor Company

On Wednesday, March 1, JETRO Chicago organized an exhibition-style event featuring thirty-six Japanese automotive suppliers with various specialties such as electronics, ADAS, and lightweighting technologies at the campus of Ford Motor Company in Dearborn, Michigan. Suppliers were screened and selected by Ford for the Japan Innovation Showcase, which was only open to employees of Ford.

For many years, JETRO Chicago has worked with the automotive supplier industry promoting the concept of Monozukuri, and with the promotion of North American based suppliers investing in Japan. These efforts have been geared toward supporting North American suppliers in establishing and maintaining business with Japanese OEMs.

In the meantime, many Japanese manufacturers and suppliers have followed Japanese OEMs outside of Japan to the regions in which they produce, such as North America. To expand their own businesses, these suppliers have sought to work with U.S. and other foreign OEMs manufacturing automobiles in North America.

This is the first time that JETRO has ever worked directly with Ford to promote Japanese technology in a showcase format. The event was considered a win-win situation, as Japanese company participants were satisfied with the contacts met at the event as well as anticipated business, which would be otherwise difficult to obtain without JETRO's support.

Likewise, Ford was pleased with the level of quality and variety of leading

technologies presented by the Japanese exhibitor companies. New business from the event will help create jobs in the U.S., as nearly all of the Japanese exhibitors are already manufacturing locally in the U.S. market.



From left: Consul-General of Japan in Detroit Mitsubiro Wada; Greg Hamel, Director of Indirect Purchasing & Business Strategy, Ford Motor Company, and Ichiro Soné, Chief Executive Director, JETRO Chicago.

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JETRO at the Home & Housewares Show

JETRO organized the Japan Pavilion at the International Home and Housewares Show (IH+HS), at Chicago's McCormick Place, March 18-21, 2017. 13 companies exhibited.

The exhibitors showcased the highest quality of "Made in Japan" home goods, including everything from traditional tableware and woodenware, artisan glassware, grass baskets and bags, bento boxes, and chopsticks to smart gadgets, eco-friendly and stylish tote bags, shelving and shower accessories.



Exhibitor	Website
Kodai Sangyo	www.kodaimokuty.co.jp/en
AndYu	www.andyu.jp/english.html
Takenaka	www.takenaka-global.com
MacMa	www.macma-global.com
Prairiedog America	www.prairiedog.com
Ohashi	www.ohashiryoki.com
Sunlife	www.ohashi-sunlife.com
Kirihara Works & Design	www.quily.jp
Sugatakatachi	www.sugatakatachi.com/EN.html
Draw A Line	www.heianshindo.com
Toyo-Sasaki Glass	www.toyo.sasaki.co.jp/e
Satto	www.yamazaki-global.com
San-Ei Faucet Mfg.	www.sanei.us



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Confirmed speakers include:

- Hiroyuki Ishige, Chairman and CEO, Japan External Trade Organization (JETRO)
- Zhang Jianping, Director General, Center for Regional Economic Cooperation, Institute of West Asia and Africa, Chinese Academy of International Trade and Economic Cooperation, MOFCOM
- Akio Takahara, Professor, Faculty of Law, University of Tokyo
- Vo Tri Thanh, Vice President and Senior Advisor, Central Institute for Economic Management of Vietnam (CIEM)
- Travis George, Chief Financial Officer, Molex Inc.

The symposium will be held at the historic Chicago Club, located at 81 East Van Buren Street, Chicago, Illinois. Registration will begin at 8:00 a.m. This symposium is co-organized by the Illinois Chamber of Commerce, with the support of the Consulate-General of Japan in Chicago, the Chicago Council on Global Affairs, the Japan America Society of Chicago, and the Japanese Chamber of Commerce & Industry of Chicago.

This event is free, however advance registration is required. More information and online registration is at: <https://www.jetro.go.jp/usa/topics/asia-pacific-economic-integration-symposium-jetro.html>. For more details, contact Kelly Highland at kelly_highland@jetro.go.jp or call 312-832-6000.

Contact JETRO Chicago • www.jetro.org INVEST JAPAN

JETRO Chicago is located at 1 East Wacker Drive, Suite 3350, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066

For general information, call the number above.

The JETRO Chicago team offers a wide variety of business support services for companies in the Midwest planning to initiate a business presence or seeking to add to their existing investment in Japan, and/or work with Japanese companies. Please feel free to contact us.

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Hyerin Childs

Farewell and Welcome

In January, JETRO Chicago said goodbye to Hyerin Childs, who joined the business development team in the autumn of 2014. Taking over for her is Moeko Otsuchi. Born and raised in Nara, Moeko attended Ryukoku University in Kyoto where she studied international cultures. She worked for Wika, a German manufacturer of pressure, temperature and flow measurement gauges for six years doing inside sales. She and her husband moved to Chicago in October 2014.

In March, JETRO Chicago also bid farewell to Robert Corder. Robert joined JETRO Chicago in September 2007 and was also part of the business development team. During his tenure at JETRO, Robert helped Midwestern companies expand their business into Japan, especially companies in the life science, business service and retail sectors.

All of us at JETRO Chicago welcome Moeko to the team and wish Hyerin and Robert the best of luck with the next chapter in their careers.



Moeko Otsuchi



Robert Corder

New Immigration Rules in Effect in Japan

In January, the Japanese Ministry of Justice (MOJ) announced that new rules for becoming a permanent resident of Japan became effective at the end of March 2017. Under the previous rules, foreigners seeking permanent residence status must have lived in Japan for a minimum of ten years; for "highly-skilled [foreign] professionals," the minimum residence period is reduced to five years. The MOJ scores foreigners based on their profession, qualifications, education, and salary.

The new rules allow foreigners living in Japan to apply for permanent resident status after three years. "Highly-skilled [foreign] professionals" who qualify are now able to apply to be a permanent resident after just one year living in Japan. The MOJ has also broadened the criteria used to evaluate foreigners seeking to become permanent residents. For example, people with special skills in information/communication technology (ICT), high net-worth investors and graduates from elite international universities receive extra credit.

These changes are being made as a part of Prime Minister Shinzo Abe's effort to bring more highly skilled and technical immigrants to Japan. Japan is facing a major demographic shift, as its population shrinks and the life expectancy continues to climb. There is an urgent need for people to fill jobs, and the government is taking steps to make Japan more attractive for foreigners.

For details on these new regulations, visit the MOJ Immigration Bureau website: http://www.immi-moj.go.jp/newimmiact_3/en/index.html

In Memoriam: Clayton Yeutter

JETRO Chicago was saddened to learn of the passing of Clayton Yeutter on March 4 at age 86. Mr. Yeutter served as the President and CEO of the Chicago Mercantile Exchange (CME) from 1978 until 1985. In 1985, he was named as the United States Trade Representative (USTR), a position he held until 1989. Mr. Yeutter served as the Secretary of Agriculture 1989 to 1991.

While at the CME, Mr. Yeutter negotiated the use of the Tokyo Stock Exchange index for futures and options trading.

As the USTR, he oversaw negotiations with Canada which served as the basis for the North American Free Trade Agreement (NAFTA) and negotiated with Japan on behalf of the American computer chip, citrus and beef industries.

In 2015, Yeutter announced a \$2.5 million gift to his alma mater, the University of Nebraska-Lincoln, for the establishment of a new center to study global trade. In September 2016, JETRO Chicago was honored to co-organize one of the first programs at the new Clayton K. Yeutter Institute of International Trade and Finance. The event focused on the future of economic integration in the Asia-Pacific region. Mr. Yeutter was on hand for the event and introduced JETRO Chairman Hiroyuki Ishige, who was the keynote speaker.

All of us at JETRO Chicago extend our deepest condolences to the Yeutter family.



JETRO Chicago Webinar Available for Viewing

On March 23, JETRO Chicago hosted its first webinar, titled "Japan in 2017 - Economic Outlook & Trends, Status of Abenomics, and JETRO's Role in Promoting FDI." Ichiro Soné, JETRO Chicago's Chief Executive Director, led the webinar with Business Development team member Ralph Inforzato also joining.

Because of the positive feedback, we have made presentation materials and the webinar recording available at the following links:

- PDF of presentation: http://www.wsuuccess.com/jetro/Invest_Japan_Mar2017.pdf
- Recording: <https://attendee.gotowebinar.com/recording/8359104601922859777>



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Mr. Takasago expressed Miyagi Prefecture's gratitude to its many American friends who helped immediately following the disaster. These included the United States Armed Forces, who worked hard on "Operation Tomodachi," and helped clear mud and debris so that Sendai Airport could reopen quickly. Miyagi is very grateful for their continuous support.

Mr. Takasago provided some details on the recovery of Miyagi's infrastructure. Approximately 95% of its roads and bridges have been restored, and its port function has recovered to pre-earthquake levels.

When it comes to reconstruction and prevention of another tsunami disaster, he described two approaches. In towns along the mountainous Northern coast, residential areas were relocated from the coast to higher ground, separate from the commercial/industrial areas. In towns along the flat Southern coast, residential areas were moved further inland, out of reach of a future tsunami, and seaside tsunami prevention measures were taken. These include planting forests and farmland near the shore, as well as putting commercial/industrial areas in between the farmland and the residential areas, with roads and railways on higher ground to protect them from waves.

About 15% of Miyagi's 2.3 million residents had to stay in evacuation shelters after the quake and tsunami. Some 23,000 people still live in temporary housing. The prefecture is trying to build 15,000 units of public housing for them, and they are now about halfway to this target.

Mr. Takasago also mentioned the strength of Miyagi's industries, its advantageous location and access, and its competitive R&D capabilities with Tohoku University and other institutions. Over 150 foreign companies, including 66 U.S. companies, are now operating in Miyagi. Please take a look at Invest Miyagi's English website: <http://www.pref.miyagi.jp/kokusai/investmiyagi/>

To summarize what we learned at the seminar, Tohoku's reconstruction efforts are well underway but there is still lots of work to be done. Much of the infrastructure has recovered and housing reconstruction is progressing. Industrial production indices have recovered to their pre-earthquake levels.

In Fukushima in particular, decontamination efforts continue. The actual area under evacuation orders due to the NPP accident is a quite limited part of Fukushima prefecture, and the orders have been lifted in some areas. Though people in Fukushima suffered greatly from damage caused by harmful rumors and misinformation, the radiation levels in most parts of Fukushima and the rest of Tohoku are now at comparable levels with major cities in Europe and the United States. Local government officials are confident that food from Fukushima is the safest in Japan because radiation levels are measured for all agricultural products.

Dr. Priddy told us about Atkins' experience at Fukushima Daiichi NPP regarding its fire protection program upgrades working with Tokyo Electric Power Company Ltd. (TEPCO).

He updated us on the current situation at the plant. The damaged reactor cores are being maintained, and they are in a safe and stable condition. The removal of the spent fuel from unit four was completed in December of 2014. The work is ongoing to remove the spent fuel pools from the other reactors.

Dr. Priddy explained exactly what Atkins is doing at the plant: TEPCO needed assistance to address the fire hazard concerns and rebuild the fire protection program. Any fire in that area could release radioactive contamination, which the utility wants to avoid at all costs. Atkins main goal is to identify and prevent fire hazards. He said that TEPCO has been



Speakers at the March 11 KIZUNA business seminar in Chicago included JETRO's Ichiro Soné; Yoshiyuki Takasago, Miyagi Prefecture Government; and Rob Priddy, Atkins Nuclear Solutions U.S.

open to all recommendations that Atkins provided.

In terms of the current status of the site and future targets, a lot of work has already been done and the site has been placed in a safe state. Given that they are limited to only one hour intervals, they go in and inspect the reactor cores to the highest degree. Thereby it is after these inspections that plans are being made to decommission and remove that material. And then Phase 3 is the long game of decommissioning, which is expected to take some 30 to 40 years.

Dr. Priddy said that it has been his privilege to talk to many people in the region, both inside and outside of TEPCO, who were profoundly and personally affected by the disasters -- including those who lost loved ones, and those who were forced to abandon their homes and truly had their lives interrupted. He said he was personally blown away by the optimism and positivity that he saw in some of these people, and their commitment to a bright future. Many of them want to participate in cleaning up the area, enriching the lives of others through building playgrounds, or taking other steps to restore the culture and community of the region. He said it has been a delight to go and see this every time, so from his perspective, he thinks the future of the region is very bright.

The recovery efforts continue, as well as Japan's gratitude for the world's ongoing support.

At the Japan Update Conference in Indiana, I was honored to introduce two guests from Japan. One was Mr. Takasago from Miyagi, who made an excellent presentation as mentioned above. The other was Mr. Shigeki Tonoike, CEO of a sake brewery from Tochigi Prefecture, the sister state of Indiana.

Mr. Tonoike brought a special gift from Tochigi Governor Tomikazu Fukuda to Indiana Governor Eric Holcomb -- a bottle of sake on which the Governor's first name "Eric" was printed in Kanji characters on its label. Mr. Tonoike proposed a toast to over 200 guests with his sake to celebrate the friendship between the sister states. In addition to this, a Tochigi company, Fukai Toyotetsu Indiana Corporation that recently started production of automotive components in Indiana, was one of the panelists at the conference.

I can assure you that you will see more "region-to-region" partnerships between the U.S. Midwest and Japan, and business alliances between companies in the two regions -- and even in third countries -- as economic integration proceeds. This is also because we share basic common values on business, such as free trade, democracy and rule of law, as well as the work ethic many Midwest governors emphasize.

We will host a symposium on economic integration in Asia-Pacific with the Illinois Chamber of Commerce and key organizations in Chicago on June 15 at The Chicago Club. We will bring together speakers from the U.S., Japan, China and Vietnam to discuss how integration will proceed and impact your business here in the Midwest. So please save the date and we look forward to seeing you there.