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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 Returns to Las Vegas for CES 2016 in January

JETRO Chicago is once again coordinating the Japan Innovation Showcase at the 2016 International Consumer Electronics Show (CES), to be held in Las Vegas, Nevada from January 6-9. CES 2016 will feature more than 3,600 exhibitors unveiling the latest consumer technology products and services.



For CES 2016, six companies will exhibit in the Japan Innovation Showcase (Booth 72150). This includes two first-time exhibitors. The Innovation Showcase will be located in the Robotics Marketplace, on Level 2 of the Sands Expo and Convention Center.

In addition, two Japanese companies will exhibit in Eureka Park, located on Level 1, Hall G, of the Sands Expo. Bonsai Labs will exhibit in Booth 80658, with Westunitis in Booth 80950. Eureka Park is dedicated to emerging start-up companies with innovative products which are not yet commercially available. More than 400 companies are expected to exhibit in Eureka Park at CES 2016.

See "CES," page 7

## Nebraska Governor Ricketts Looks to Strengthen Ties with Japan



### Guest View

**Pete Ricketts**  
Governor,  
State of Nebraska

On September 22, Nebraska Governor Pete Ricketts had an article published in *The Plattsmouth (NE) Journal*, which is reprinted here.

Late last week, I returned from my inaugural trade mission to Asia where I visited Japan and China, Nebraska's two largest trade partners in Asia. During our travels, the trade delegation met with business executives, potential investors,

and public-sector leaders about how we continue to build on our existing relationships

See "Guest View: Ricketts," page 6

## Change Continues in Japan in the New Year



### From the Chief Executive Director

**Ichiro Soné**  
Chief Executive Director,  
JETRO Chicago

I would like to take this opportunity to wish everyone all the best in 2016. If I have one main message for the New Year, it is that I would like U.S. business people in the Midwest to know how much Japan has changed drastically over the last couple of years, in a positive way.

Abenomics, Prime Minister Shinzo Abe's economic reform policy is well underway, and is already showing results. As JETRO Chairman and CEO Hiroyuki Ishige stated in a recent media interview, "After the introduction of Abenomics, we noticed an improvement in the macroeconomic environment, and consequently in the flow of FDI (foreign direct investment). The business infrastructure of Japanese and foreign companies has also become more integrated. The regulatory reforms introduced by Abenomics have in addition brought noticeable progress. The local monopoly of the power/energy sector will be reformed next year and we are beginning to see many foreign companies starting to invest in Japan.

"There are significant reforms taking place regarding regulations of the development of pharmaceuticals and medical devices. I believe that in line with the significant ease of regulations, Japan has become, in terms of development of pharmaceuticals and medical devices, a development-friendly country. U.S.-based companies in these industries are currently looking to increase their investment to Japan."

Many people still might have the idea that everything is expensive in Japan, but that has changed. As the yen has weakened since Prime Minister Abe took the helm, prices in Japan are more in line with those in other major cities in the Asia. Mr. Ishige mentioned some examples about lower business and investment costs: "Office rental and housing costs for foreigners have been declining and are much below those of Hong Kong or Singapore.

See "Chief Executive Director," page 8

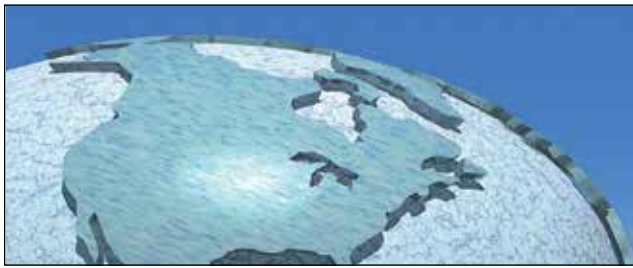
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## JETRO Around the Midwest

### Seminars, Meetings and Events



*A Service Industry Mission from Japan visited the Chicago area in late November. The mission visited area service industries, such as restaurants, food retail, pharmaceutical and clothing rental, to learn about the market potential here.*



*(Above left) Ramen Takeya's owner, Ms. Satoko Takeyama (standing left), is introduced to members of a Service Industry Mission from Japan as they try her signature dish, chicken paitan ramen.*

*(Above right) At Mitsuwa Marketplace in Arlington Heights, members listen to the manager of Tendon Hannosuke, a recently opened "tempura don" (bowl) restaurant, explain how he opened the shop.*



*On Friday, October 16, JETRO Chicago welcomed a group of MBA students from the College of Business at Northern Illinois University. The students were led by Prof. Harry Lepinske and are part of NIU's Fast-Trak MBA program. Robert Corder of JETRO Chicago spoke to the group about developments in Japan's economy and the role JETRO plays in increasing inbound FDI. JETRO Chicago has spoken to groups from NIU every year since 2007. To express NIU's gratitude, Prof. Lepinske presented JETRO Chicago Chief Executive Director Ichiro Soné with a certificate of appreciation. Said Prof. Lepinske, "JETRO has been a wonderful partner and we hope to continue working with them for years to come."*



*On December 9, Ichiro Soné was the featured speaker at "Opportunity Japan," sponsored by the INDY Chamber in Indianapolis. (From left) Theresa Kulczak, Japan-America Society of Indiana; Ichiro Soné; Koichi Okano, Honda Manufacturing of Indiana, Inc.; Beck Fromm, Somerset CPAs & Advisors; and Dale Stackhouse, Ice Miller LLP.*



*On Friday, October 2, Ichiro Soné visited Topeka, Kansas where he met with Kansas Governor Sam Brownback.*



*The Japan America Society of Minnesota held the 18th Annual Mondale Award and Scholarship Gala on Saturday, November 14, 2015. At the event, Ichiro Soné met up with Richard Stahl, Honorary Consul of Japan (left).*



*Representatives from Chicago's Museum of Science and Industry recently visited Japan for the IREX2015 Conference. (Above) Tatsubiro Shindo, Executive Vice President of JETRO, John Beckman, Director, Exhibit Design and Development MSI, Kathleen McCarthy, Director of Collections and Head Curator, Museum of Science and Industry, Tomonori Shibahara, JETRO and Ichiro Soné.*



*John Beckman shakes hands with his new friend Pepper by Softbank Robotics who was guiding him and Kathleen McCarthy at the Amusement Space near Yokohama Station.*



*Kathleen McCarthy (left) and John Beckman (right) check out the HOSPI-Rimo by Panasonic at IREX2015.*

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## Historic Connection with Japan Helps Bring Business to Richmond, IN



### Guest View

**Sally Hutton**  
Mayor,  
Richmond, Indiana

Richmond has gained a lot more than strong business connections -- and hundreds of jobs -- from Japanese companies.

The relationship has been part of our culture for more than half a century. That's thanks in large part to the world-renowned Japanese

Studies program at Earlham College. About 25 Japanese students come to Richmond each year, while Earlham students head the other direction to study at Waseda University in Tokyo. For many, that's just the start of a lifelong relationship on personal and professional levels. American students are enjoying careers in business areas such as consulting, global sales and communications. The students explore cultures. They work together. They learn to speak each other's languages -- literally and figuratively. They build lifelong friendships.

That program has been very fruitful for our city. So has our Sister City program with Unnan City, located in Shimane Prefecture, a cultural exchange that has been running since 1975. Unnan City merged with four suburbs about 10 years ago, adding to the connections that have paid off in a range of ways: from tree-planting and cultural awareness to economic-development efforts and commercial successes.

We have visited each other many times with delegations big and small. Groups from Richmond have toured factories in Japan. Your whole view of cultures can change when you interact, when you reach new levels of understanding. We see and admire how the Japanese act and react. You draw a different perspective: We think we have it the best; they think they have it the best -- and both can be right.

One thing is for certain, we believe we have the best of both worlds in

dealing with Japanese businesses, dignitaries, students and educators. One of my biggest pushes as mayor fits strongly with our Japanese compatriots. I get out often to help clean alleys and streets. In Japan, we noticed there is no litter. The people are friendly and respectful. They never push or shove even though many

areas are crowded. One of my neatest experiences was to have the mayor of Unnan City and four of his staff join me in cleaning alleys in Richmond. They worked hard and were always smiling and chatting with me through their interpreter. I've learned a lot from them. Those things help, I think, in proving that we have something special going here. All of these activities help, I think, in proving that we have something very special going on here which also reflects in Richmond being named an All-America City and one of the Top 10 least expensive cities to live in the United States.

The historic connections with Japan have helped pave the way for companies such as Suncall America, TBK America and Yukiya USA Gasket that give employment to close to 200. Hundreds more jobs are the direct result of positive connections with Japanese companies. We have many corporations, with employees from a dozen to hundreds that do contract work in plastics, fabrication, wires and more for automotive giants Honda, Nissan, Subaru and Toyota. More jobs are available to our employee base around the region, just as jobs here are available to those who live nearby. We always strive to bring companies to our town



*Toyota's INTAT Precision automotive components plant in Rushville*

**See "Guest View: Hutton," page 8**

## From Paw Paw Michigan to Nagano Japan: The International Business of St. Cousair Co. Ltd. and St. Julian Winery

**St. Cousair Co. Ltd.** is a food manufacturer and retailer, headquartered in Nagano, Japan. The company was established in 1982 by Ryoza Kuze, who originally had the passion for creating a company to produce apple jam from his wife's delicious homemade recipe. Located among apple orchards, the company has been using local apples to make jam. As his company continued to grow, Ryoza's vision also broadened. Till this day, St. Cousair has been producing many award-winning products in Japan, including wine, sauces, dressings, gelato, donuts, etc.

St. Cousair sells its products directly to customers through its brand named stores. The company has two major brands -- St. Cousair and Kuzefuku. St. Cousair focuses on Western food products and Kuzefuku focuses on traditional Japanese food. The company's employees have great passion and knowledge about their products, so they can explain to customers well about the products as well as introduce new recipes. Currently the company has a total of 80 stores throughout Japan.

**St. Julian Winery**, located in Paw Paw, Michigan near the acclaimed Lake Michigan Shore grape-growing region, was founded by Mariano

Meconi in 1921 with its original name, the Meconi Wine Company. Mariano Meconi was born in the village of Faleria, Italy in 1895. He changed his company's name to St. Julian to humbly pay homage to the patron saint of his native village, Faleria, Italy. For over 92 years, the Winery, now known as St. Julian Wine Co., Inc., has produced award-winning products. From the first shoots of the Michigan spring through the harvest and barrel tasting of late fall, the family tradition that has flourished transforms grapes to wine, fruit to nectar, as passion and science converge, bottle after bottle, case after case.

The grapes come from the best vineyards in Southwest Michigan, producing top quality



*Naoki Kuze, Managing Director, International & Domestic, St. Cousair Co., Ltd., with David Braganini, President, St. Julian Winery.*

**See "St. Cousair/St. Julian," page 5**

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## New University of Nebraska Program to Focus on International Trade



### Guest View

**Clayton Yeutter**  
*Former U.S. Trade Representative;  
Former U.S. Agriculture Secretary*

Doing a short article for the JETRO Chicago Midwest Newsletter is almost like doing a Christmas letter. It brings back memories of my having worked closely with Shinichi "Scott" Saito when he was the Executive Director way back in the '80s, during my tenure as

CEO of the Chicago Mercantile Exchange. Scott was later to become Japan's Ambassador to Nicaragua and a wonderful family friend of the Yeutter's. And who can forget Ralph Inforzato, who has been at JETRO Chicago forever? Beyond that, it has been a pleasure to meet Mr. Ichiro Soné, the present Chief Executive Director, and I consider JETRO's Chairman and CEO, Hiroyuki Ishige, to be a longtime personal friend.

JETRO Chicago continues to be as active as ever and I am delighted that my home state of Nebraska continues to be on their radar screen. In fact, as I write this, Governor Ricketts is about to depart on a trade mission to Japan. I hope it is successful.

There is now another way in which JETRO Chicago can work with Nebraska, and I would like to outline it here. Earlier this year, the University of Nebraska announced the establishment of the Yeutter Institute of International Trade & Finance, an honor for which I am both humbled and grateful. I have been long concerned that we Midwesterners are still too parochial, and this is a modest effort to change that, particularly for undergraduate students at the University of Nebraska. I want those students to have an international focus in their studies, and I want them to be "thinking international" when they graduate. They will need that orientation if they are to live and work successfully in the world in which they will find themselves.

The Institute is to achieve that global focus through endowed chairs in the Colleges of Business, Agriculture and Law, where occupants of those chairs will reach beyond our borders in their teaching, research and extension programs, and especially the former. I hope Japan will be an important part of that focus, and that is where JETRO Chicago comes into play.

New Zealand has already expressed a desire to become involved with the Institute, most likely through university cooperation and collaboration. Japan, however, can do this through JETRO Chicago which already has a working relationship with Governor Ricketts, his staff, and the University of Nebraska. I hope that JETRO Chicago will devote some of its resources to this worthy cause. If it can do so, I assure everyone in the JETRO organization that the Yeutter Institute will work diligently to find the best way for this collaborative effort to be good for the Institute, good for JETRO, and good for Nebraska businesses and students. What a winning program that would be!

I am presently helping to raise money for the institute and that effort has gone well. The Nebraska legislature voted unanimously to contribute \$2.5 million, with every indication that they will do another \$2.5 million when they next meet. The Yeutter family has committed \$2.5 million, and we will soon meet our initial \$10 million goal. However we want to go beyond that and make the Institute a unique program for enhancing knowledge of what really goes on in the complex world of international trade and finance. JETRO has been in the middle of that world for a long time and has wisdom borne of experience to offer to Nebraska's students – and to Nebraska's businesses. Chief Executive Director Soné, we welcome your involvement! We will work with you to make sure that any time, effort, resources and energy you devote to this cause will be a first rate investment for JETRO.

### Eight Japanese Exhibitors Enjoy Successful RSNA Experience

JETRO Chicago successfully hosted our Japan Pavilion at RSNA 2015. Eight companies exhibited with us this year, including three first-time exhibitors. In total, our exhibitors had 365 business matching meetings, 51 of which are expected to result in a contract. All of the exhibitors were very satisfied with JETRO and with their experiences at RSNA. We thank all the attendees and exhibitors who took the time to visit our Japan Pavilion.



### The Chicago Shimpo Marks 70th Anniversary



A special luncheon was held on Saturday, November 14, to celebrate the Chicago Shimpo's 70th anniversary. The event, held at the DoubleTree Hotel in Arlington Heights, was attended by more than 100 people.

The Chicago Shimpo was established on November 15, 1945 by Ryoichi Fujii. It is the only English/Japanese bilingual newspaper in the Chicago area and provides vital information for the region's Japan community. Since 2000,

it has been published by Yoshiko Urayama. The Chicago Shimpo has reported on many of JETRO Chicago's activities though the years, with Ms. Urayama becoming a fixture at Japan-related events throughout Chicagoland.

JETRO Chicago commends the Chicago Shimpo on its 70 years of excellence and wishes Ms. Urayama and her staff continued success in the years to come.

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## JETRO to Host Japan Pavilion at Pittcon 2016 in Atlanta

The Pittsburgh Conference on Analytical Chemistry and Applied Spectroscopy, Pittcon 2016, will be held from Sunday, March 6th through Thursday, March 10th at the Georgia World Congress Center in Atlanta. JETRO will be returning to Pittcon in 2016, sponsoring six Japanese companies in our Japan Pavilion at Booths 738-739. The exhibiting companies are:

- Airtech Corporation
- Otsuka Optics Co., Ltd.
- Kyoto Electronics Manufacturing Co., Ltd.
- Shinko Denshi Co., Ltd.
- Yabegawa Electric Industry Ltd.
- E.M.P-Japan Ltd.

Please check our website in the future for more detailed information about our exhibitors' products and services to be showcased at Pittcon.

The technical exhibition hours of Pittcon 2016 are from 9:00 a.m. to 5:00 p.m. from Monday, March 7th to Wednesday, March 9th, and from 9:00 a.m. to 3:00 p.m. on Thursday the 10th. Attendees from over 90 countries are expected to visit the more than 900 exhibitors at the show and see some of the latest breakthroughs in products and services used in laboratory science. Please come and visit our Japan Pavilion during the show! If you would like any additional information, or if you are interested in scheduling a meeting with any of our exhibiting companies, please contact Stephen Vullo at (312) 832-6000 ext. 212, or at [Stephen\\_Vullo@jetro.go.jp](mailto:Stephen_Vullo@jetro.go.jp). Thank you!

## Japan Pavilion to Feature 19 Exhibitors at Home & Housewares Show

For the fifth time, JETRO will organize the Japan Pavilion at the International Home and Housewares Show (IH+HS), at Chicago's McCormick Place from March 5-8, 2016. The pavilion will feature 19 companies in total, with 8 new exhibitors. These companies will be showcasing the highest quality "Made in Japan" home goods, which include everything from traditional kitchen knives, beautiful tableware, artisan glassware, and woodenware to modern products that apply advanced Japanese technology to bring you eco-friendly, stylish, smart gadgets, shower accessories and housewares. This is the fourth time that JETRO will organize two pavilions (North & South Buildings) in order to accommodate the exhibitors and the vast array of products they have to offer.

For further information: <http://www.housewares.org/HousewaresConnect365/> and search for "JETRO." Or simply click here.

## St. Cousair/St. Julian ... from page 3

wines. In 1999, Braganini Reserve Meritage was "born" establishing a small lot production of dry, single varietal wines. As excitement from the President and Winemaker grew, St. Julian now has over 15 Braganini Reserve wines ranging in many different winemaking styles.

### The Partnership

St. Cousair was having a difficult time securing the supply of its grape demand in Japan due to heavy rains that caused major damage to the grape yield. The company started to look for alternatives from other parts of the world. St. Cousair was very pleased when it came across St. Julian's wine, which had the taste and aroma very similar to those of St. Cousair's. Soon after, St. Cousair members visited St. Julian and decided to proceed with bulk purchasing. They were also impressed by the friendliness and hardworking spirit of the St. Julian team.

Since January 2015, St. Cousair has been purchasing bulk wine from St. Julian and importing it to Japan. To date, many containers of wine have been transported directly to St. Cousair. The company is very happy with St. Julian wine's quality, their team's passion and way of doing business. Both companies have signed a contract to secure supply of top quality wine for St. Cousair in 2016. Furthermore, the companies are in the process of taking their business relationship to the next level with St. Cousair being an agent for St. Julian in the Japanese market.

### What happens after St. Julian Wine arrives at St. Cousair?

St. Cousair does the final blending of St. Julian wine with wine produced from grapes in Japan. Then the company does the bottling and labeling under its own brand name.

St. Cousair introduces the wine directly to customers in Japan through its stores. The company recognizes its success when seeing customers

*A St. Cousair wine counter in Japan*



really liking the new wine. St. Cousair is excited and looking forward to a more successful long-term international business relationship with St. Julian Winery from the State of Michigan.

St. Julian Winery is one fine example of a U.S. company with great products for St. Cousair to introduce to Japan. St. Cousair is also interested in other raw materials and organic products from the U.S. The company continuously searches for more varieties of high quality wine, processed tomatoes for its sauces, IQF fruits, such as blueberries, and other potential ingredients for St. Cousair to produce high-quality products in Japan.

Concurrently, St. Cousair is taking on the challenge of expanding the sale of its products in the U.S. with a goal to introduce traditional Japanese foods and healthy Japanese eating style to international customers. In the future, the company hopes to produce products and have its brand named shops in the U.S. to conveniently serve its new customer base.

JETRO has been supporting St. Cousair's business expansion into the global marketplace through many programs.

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## Guest View: Governor Ricketts ... from page 1

with these two countries. Growing overseas trade relationships is one of the best ways we can continue to grow our state. With over 95 percent of the global population living outside the United States, it is important to take our message about Nebraska to potential trade partners, investors, and consumers around the world.

In Tokyo, I joined several governors in addressing the annual conference of the U.S. Midwest-Japan Association, an organization dedicated to building business relationships between the Midwestern American states and Japanese prefectures. The conference was a great opportunity to highlight Nebraska's pro-business climate, hardworking people, and other values Nebraska and Japan share that make our state such an attractive investment for many Japanese companies.

While in Japan, members of the trade delegation also met with a wide variety of existing and potential investors. I visited with some of the 30 Japanese companies that invest in Nebraska including Meikyo Denki, Daitron, Marubeni, Kawasaki, Kewpie, and Itochu. These companies have helped make Japan our state's largest direct foreign investor. These kinds of investments are not only important to Nebraska, but also to Japan's relationship with the U.S. During his visit to America, Japan's prime minister highlighted Kawasaki's plant located in Lincoln to President Obama as an example of the good relationship our countries continue to enjoy.

My visit to Tokyo comes on the heels of Lt. Governor Foley's trip with a delegation of Nebraska ag leaders to Japan. Japan imports about 20 percent of Nebraska's beef and 50 percent of our pork. During my meetings, one of the companies we visited with expressed interest in purchasing even more Nebraska beef.

On the second leg of the trade mission in Beijing, I met with top officials from the ministries of Commerce, Agriculture, and Foreign Affairs as well as the Chinese People's Association for Friendship with Foreign Countries. In these introductory meetings, I laid out our priorities for moving our relationship forward with China. One of the biggest hurdles to expanding trade with China is their continued ban on importing beef. The beef industry is our state's single largest industry, and China is our

state's fastest-growing trade partner. Opening the Chinese market to Nebraska's high quality, safe beef products would be mutually beneficial to both parties.

During these meetings, the trade mission delegation shared details about a project that Nebraska companies are working on in Shaanxi Province, in northwestern China, and the Yangling Agricultural Hi-Tech Industries Demonstration Zone. This effort will establish a marketing platform and training center for agricultural machinery manufacturers. The delegation also highlighted the University of Nebraska Medical Center's ongoing cooperation with Chinese universities through their medical student exchange programs.

After two successful trade missions this year, my administration remains committed to leading two missions each year. As I visit with private and public sector leaders around the globe, those who are familiar with Nebraska tell me that they see Nebraska as a great place to invest. Others who are just getting to know our state are eager to learn more. If you have ideas of your own on how we can continue to promote Nebraska around the world, I would like to hear from you. Please take some time to contact my office at [pete.ricketts@nebraska.gov](mailto:pete.ricketts@nebraska.gov) or 402-471-2244.



*At the Nebraska exhibit at the conference, Governor Ricketts speaks to the media.*



*At the MWJA Welcome Reception: From left, Yoshio Karita, Advisor to Kikkoman Corporation; Governor Pete Ricketts; Yazaburo Mogi, Honorary CEO and Chairman of the Board, Kikkoman Corporation; Mrs. Mogi; Koji Nagasaka, Executive Director, Nebraska Center Japan; Pat Haverty, Vice President, Lincoln Partnership for Economic Development.*

## JETRO Chicago Provides Information on Energy Trends



On November 10 in Chicago, Mr. Masaki Nagao, JETRO Chicago's Director of Energy, lectured on U.S. energy trends mainly focusing on the U.S. petroleum industry. Attendees included members of the Japanese Chamber of Commerce & Industry of Chicago and energy sector industry stakeholders.

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## JETRO at CES ... from page 1

CES is the largest conference and exhibition dedicated to consumer technologies. CES is organized annually by the Consumer Technology Association (CTA), formerly the Consumer Electronics Association. In 2015, CES attracted more than 176,000 attendees from 153 countries around the world. International participants comprised more than 27% of the attendees. In addition, CES 2015 attracted participants from 82 of the Fortune 100 companies. For more information on CES, visit [www.cesweb.org](http://www.cesweb.org).

For more information on Japan's robotics industry or to schedule a meeting with one of the Japanese exhibitors during CES 2016, contact Kevin Kalb at [kevin\\_kalb@jetro.go.jp](mailto:kevin_kalb@jetro.go.jp).

JAPAN PAVILION @ CES 2016	
Topy Industries Ltd.	<a href="http://www.topy.co.jp">www.topy.co.jp</a>
MJI	<a href="http://www.mjirobotics.co.jp">www.mjirobotics.co.jp</a>
Miraisens, Inc.	<a href="http://www.miraisens.com">www.miraisens.com</a>
Paro Robots US/ Intelligent System Co. Ltd.	<a href="http://intelligent-system.jp/">http://intelligent-system.jp/</a>
Outstanding Technology Co., Ltd.	<a href="http://www.ot-c.co.jp">www.ot-c.co.jp</a>
Yukai Engineering, Inc.	<a href="http://www.ux-xu.com">www.ux-xu.com</a>
JAPANESE EXHIBITORS IN EUREKA PARK	
Bonsai Lab, Inc.	<a href="http://www.bonsailab.asia">www.bonsailab.asia</a>
Westunitis Co., Ltd.	<a href="http://www.westunitis.co.jp">www.westunitis.co.jp</a>

## JETRO hosts Japan Pavilion at MDM West in February

JETRO will participate in the Medical Design & Manufacturing (MDM) West conference and trade show in Anaheim, California. MDM West will be held February 9-11 at the Anaheim Convention Center. More than 2000 companies will participate in the event, showcasing a wide range of products and services related to the design & manufacture of medical devices. JETRO will organize the Japan Pavilion, which will include 13 Japanese medical device component manufacturers. They are eager to meet new strategic partners and bring their innovative technologies to the USA. The MDM West event is collocated with the Automation Technology Exhibition (ATX West); Electronics West; Pacific Design & Manufacturing; Plastec West; and West Pack. For more information about the Japan Pavilion at MDM West, contact Keita Sakuraoka at JETRO Los Angeles, 213-624-8855.

### Company

### Website

Kankeko Manufacturing .....	<a href="http://www.t-kaneko.co.jp">www.t-kaneko.co.jp</a>
KPS Industry Co., Ltd.....	<a href="http://www.kps-k.co.jp">www.kps-k.co.jp</a>
Mitaka Co., Ltd .....	<a href="http://www.t-mtk.co.jp">www.t-mtk.co.jp</a>
Satte Spring Co., Ltd .....	<a href="http://www.satte-spring.com">www.satte-spring.com</a>
Sawane Spring Co., Ltd .....	<a href="http://www.sawane.co.jp">www.sawane.co.jp</a>
Actment Co., Ltd.....	<a href="http://www.actment.co.jp">www.actment.co.jp</a>
CCS Inc.....	<a href="http://www.ccs-inc.co.jp">www.ccs-inc.co.jp</a>
Onox.....	<a href="http://www.onox.jp">www.onox.jp</a>
Nihon Chushyashin Kogyo .....	<a href="http://www.ncc-tyo.co.jp">www.ncc-tyo.co.jp</a>
Dainichi Co., Ltd .....	<a href="http://www.kk-dainichi.co.jp">www.kk-dainichi.co.jp</a>
TelePower Inc. ....	<a href="http://www.telepower.jp">www.telepower.jp</a>
Kyoei Denko Co., Ltd .....	<a href="http://www.kyoei-dk.co.jp">www.kyoei-dk.co.jp</a>
MPI Co. Ltd.....	<a href="http://www.mpi-inc.co.jp">www.mpi-inc.co.jp</a>

## Welcome Hyerin Childs



JETRO Chicago is pleased to welcome Hyerin Childs as the newest member of its Business Development team. Ms. Childs began working at JETRO Chicago as a contract employee in September 2014. In October 2015, she accepted a permanent position at JETRO. Ms. Childs graduated from Kansai Gaidai University in Osaka in 2012 with a degree in International Communications and is fluent in Korean, Japanese and English. Before moving to the USA in 2013, she worked in sales at Showa

Kako Corporation in Osaka. In her new role, she will continue to assist the Business Development team as it promotes foreign direct investment (FDI) into Japan.

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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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## Chief Executive Director ... from page 1

Middle-class managers' salaries are about the same level as Hong Kong and Singapore."

Japan also reduced its corporate tax rate from 35% to 32.11%. And the ruling parties' tax policy councils just approved a plan on December 10 for fiscal 2016 tax reforms that includes a larger cut of the corporate tax rate than previously envisioned. The tax burden will be decreased even more, from the current 32.11% to 29.97% in the fiscal year beginning April 1.

Mr. Ishige also touched upon the significance of the Trans-Pacific Partnership (TPP): "What is important is that the TPP provides new trade and investment rules, which often is described by the U.S. administration as 'the trade agreement for the 21st century.' Ever since the Doha Round negotiations became stagnant in the summer of 2008, no such comprehensive, region-wide trade and investment framework has been made."

Both Japan and the U.S. can benefit from the TPP with opportunities to expand their business in the region. For example, it is a unique agreement with a separate chapter aiming to accelerate the business of Small and Medium-sized Enterprises (SMEs). SMEs can use its rules easily, such as unified rules of origin and a self-certification system. JETRO established the Taskforce for Promoting TPP Utilization on October 15th to assist Japanese SMEs tapping into the markets of TPP member countries, aiming to promote their active utilization of the accord.

The TPP is also gaining attention among Japanese affiliates. JETRO conducted a 2015 Survey on Business Conditions of Japanese Companies in the U.S. this autumn. Its major findings are as follows:

**(1) Business confidence is high:** Some 81.4% of firms expect a surplus in business profit in 2015. Japanese companies have maintained a high-level of profitability, with 47.7% of respondents reporting that their operating profits will improve, and 56.7% of firms are intending to expand their business in one or two years. Specifically, they will expand their sales functions and production of high-value added products. By category, Japanese companies in medical devices, processed food, agricultural or fishery products, and chemical and petroleum products responded that they were more likely to expand. That contrasts with transportation equipment (automobiles and motorcycles) and components, in which less than the half of respondents plan to expand their business. As for recruiting, 44.3% of respondents reported that they employed more local staff than in the past year, and 47.9% of respondents said they plan to do so in the future.

### (2) Procurement, production and sales in the U.S. strengthened:

When the survey tracked countries of origin for procurement of raw materials and components, the U.S. came in first with 58.3%, followed by Japan with 25.9%. The greatest number of respondents reported that they expect a further increase in procurement from local industries in the U.S. and Mexico. Moreover, 79.8% of products manufactured in the U.S. were for domestic sales. Regarding future sales plans, 53.9% of respondents made clear that they will expand their sales in Mexico. This rate is almost the same as those who plan to expand sales in the U.S. (54.2%).

### (3) Increases in employee-related expenses continue to matter:

The top three general administrative issues related to increased costs were an "increase in labor costs," "recruiting workers" and "increase in medical insurance." Increasing wages continued to top the list, but at 64.1%, the rate was significantly below the previous year's 74.9%. That suggests some stabilization in the pace at which labor costs are rising.

**(4) High expectations for the TPP:** More than 40% of respondents were considering utilization of the TPP, upon the conclusion of the agreement, both in imports and exports with Japan (45.3% for import and 42.9% for export). (The survey was conducted before the text of the TPP had been released to the public.) Regarding the concrete effects of the TPP, a large number of respondents expected that the TPP will facilitate customs and trade of goods as well as increase market access for goods.

**(5) Unforeseeable events had an influence:** Regarding the influence of the decline in crude oil prices, 48.4% of respondents reported that it had a net positive impact, significantly exceeding the 12.0% who stated that it was negative. Meanwhile, some 73.1% of respondents reported that they were affected by the port slowdown on the West Coast that lasted from the fall of 2014 into 2015 due to a labor dispute.

Finally, I would like to conclude by repeating our wish for 2016, that the New Year will bring much health, happiness and business success to everyone, from all of us at JETRO.

*Read the media interview with JETRO Chairman and CEO, Hiroyuki Ishige at <http://www.theworldfolio.com/interviews/talk-to-jetro-first-about-japans-new-business-environment/3790/>*

*Find the news release on the JETRO Survey at <https://www.jetro.go.jp/en/news/releases/2015/4e32ded65283c4d8.html>*

## Guest View: Mayor Hutton ... from page 3

and our county, but also realize that in a mobile society, our residents will travel a short distance for jobs. What's good for eastern Indiana is good for us.

In that realm, major recent additions and expansions by Japanese companies will benefit us. They include:

- A new 325,000-square-foot NTN Drive Shaft factory in Anderson that landed there after a national search. "It's a great national win for us," said our regional economic-development partner, Mindy Kenworthy, CEO of the East Central Indiana Partnership, in noting that the plant will result in hundreds of jobs. (Incidentally, Mindy is a native of Richmond.)
- A major expansion at the FCC Automatic Transmission Clutch Assembly plant in Portland.
- Another major expansion to Toyota's INTAT Precision automotive components plant in Rushville.

Simply put, we have to be drawing businesses such as those because positive experiences have been passed on. We do great work around here. That's evidenced by plants being honored as suppliers of the year, including Woodruff Corp. in Richmond and the TS Tech Indiana Plant in New Castle.

Our Japanese friends go home and tell good things about us. You never know where the next Japanese-centered business will come from, the next Japanese-affiliated plant that will hire 200 workers or the next major supplier contract that will keep our successful businesses growing even stronger.



*The TS Tech Indiana Plant in New Castle was honored as a supplier of the year.*