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# JETRO Chicago Midwest NEWSLETTER

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

**Wisconsin Governor Scott Walker writes about 2013 Japan-Midwest U.S. Association Conference**



“The Midwest U.S.-Japan Association Conference provided us the opportunity to meet with the heads of Japan’s leading corporations and promote Wisconsin as a great place to invest or build a business.

Discussions on Wisconsin’s manufacturing tax credit and our new early stage venture capital program, administered through the Department of Administration and State of Wisconsin Investment Board, drew a great amount of interest from corporate leaders.”

**Read all of Governor Walker’s comments and complete Conference coverage on pages 4-6**

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## JETRO to host Monozukuri seminar in Birmingham, Alabama on October 24



### Director’s Dialogue

*Kevin Kalb  
Project Coordinator,  
JETRO Chicago*

On Thursday, October 24, JETRO Chicago will host a luncheon and seminar entitled, “**The Mindset of Monozukuri: Encouraging a Culture of Talent and Innovation in Manufacturing,**” in Birmingham, Alabama. Co-organized with the Japan-America Society of Alabama, the event will take place in the Medical Forum Auditorium within the Birmingham-Jefferson Convention Complex.

**See “Monozukuri,” page 7**

## The power of Midwest-Japan cooperation



### From the Chief Executive Director

*Ichiro Soné  
Chief Executive Director,  
JETRO Chicago*

I arrived in Chicago at the end of July, succeeding Mr. Tatsuhiro Shindo. Through this newsletter, I’d like to continue to share up-to-date information on business interaction between Japan and the U.S. Midwest, and strengthen the tie we call “KIZUNA” in Japanese – a “bond of emotion” .

Although I worked in JETRO’s offices in Los Angeles in the mid 1990’s and San Francisco from 2005-08, I haven’t had the chance to

learn much about Chicago and the Midwest until now.

I am very impressed with Chicago as a leading global city. Chicago itself epitomizes the history of U.S. industry with its dignified skyline of breathtaking architecture. It has an incredible concentration of business, finance, commerce, engineering and logistics and one of the busiest airports in the world, as well as rich cultural assets like art, music, theater and sports. Chicago was ranked No. 6 in Atlantic magazine’s 2012 World Economic Power Cities Index. I instantly fell in love with the city, and I will definitely enjoy living and working here.

I also realized anew that the 12 Midwest States are truly the “Heartland,” in that they are the very center of U.S. manufacturing and agriculture. Naturally, their economic ties with Japan are great. There are 574 Japan-affiliated manufacturing plants in the Midwest, a number comparable to that of the West, including California, and to the whole South/Southeast region.

Since coming here, I have felt very encouraged that now is the time for us to strengthen the business ties between Japan and the Midwest, teaming up with local business leaders and colleagues at organizations such as state governments and industry associations.

I worked in Los Angeles at the height of trade disputes between Japan and the U.S., due to Japan’s large trade surplus. I’m sure you remember when the U.S. government tried to impose a 100% import tariff on luxury cars from Japan in the mid ‘90’s (they ended up not doing so). “The Japanese market is closed” was a typical mindset. My main job at the time was to persuade the local business people, “The Japanese market is not closed. We welcome imports. We can help your business in the world’s second-largest economy.” We assisted so many U.S. companies in exporting their goods to Japan.

**See “Chief Executive Director,” page 8**

## OESA President bids farewell to friends, colleagues

As I contemplate the end of my tenure at the Original Equipment Suppliers Association (OESA), I am gratified that we have successfully built a partnership between JETRO and OESA that has greatly enhanced ties between the U.S. automotive supplier industry and Japan. It is with mixed emotions that I say farewell to my friends and colleagues at JETRO, and to all of the other Japanese colleagues and organizations I have come to know.



### Guest View

*Neil De Koker*

*President and CEO,  
Original Equipment  
Suppliers Association  
(OESA)*

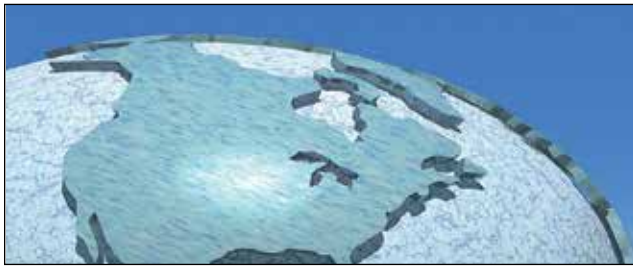
I was first privileged to visit Japan in early 1986 as a representative of Magna International. I have felt that same privilege on each and every trip I have made subsequently, whether I was

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## JETRO Around the Midwest

### Seminars, Meetings and Events

*During the first week of August, JETRO Chicago Chief Executive Director Ichiro Soné visited Kansas and Missouri. Near right, Hon. Sam Brownback, Governor of Kansas, welcomes Mr. Soné to his office. Right center, Mr. Soné meets with Esther George, President, Federal Reserve Bank of Kansas City. Far right, Hon. Sylvester "Sly" James, Jr., Mayor of Kansas City, Missouri greets Mr. Soné.*



*On Wednesday, August 14, students and faculty from Meiji Gakuin University stopped by JETRO Chicago for a briefing from JETRO's Ichiro Soné, Robert Corder and Kelly Highland. The students were finishing their part of an exchange program with Hope College in Holland, Michigan.*

*University of Wisconsin, Oshkosh arranged for a Japan lecture on June 27, at JETRO Chicago to young managerial leaders visiting from the Viessmann Group, (Allendorf, Eder, Hesse, Germany). The Viessmann Group is a global leader in heating and renewable energy systems.*



*A group of students from Meiji University, along with their professor, visited the JETRO Chicago office on Thursday, September 19, and heard remarks from Chief Executive Director Ichiro Soné.*



*Before returning to Japan, former JETRO Chicago Chief Executive Director Tatsubiro Shindo visited South Dakota Governor Dennis Daugaard on July 10, in Pierre, SD.*



*JETRO Chicago's Kobei Okui (at left above), welcomed a group of students and faculty from the Chicago Futabakai Japanese School in Arlington Heights, Illinois to the JETRO office on Thursday, August 22.*

*JETRO Chicago had a booth in the exhibition area of The Battery Show, September 17 - 19, in Novi, Michigan. JETRO staff at the show included, from left, Hidemi Saito, Ralph Inforzato, Eri Sorimachi, Kazuo Yaji, Kobei Okui and Kevin Kalb.*





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## JETRO to host Japan Pavilion at RSNA Conference in Chicago



The annual meeting of the Radiological Society of North America, RSNA 2013, will be held from Sunday, December 1st through Friday, December 6th in the North and South Halls of McCormick Place in Chicago. This year, JETRO will be sponsoring six Japanese companies at our Japan Pavilion in the North Hall, **Booth 7923**.

The technical exhibition hours of RSNA 2013 are 10:00 a.m. to 5:00 p.m. from December 1-4, and 10:00 a.m. to 2:00 p.m. on the December 5.

Roughly 55,000 attendees are expected to visit the show and see some of the latest breakthroughs in medical imaging and other technological advancements. 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!

The companies exhibiting this year are:

- **JOB Corporation, From Yokohama**  
<http://www.job-image.com/index-eng.html>
- **TORECK Co., Ltd., From Yokohama**  
<http://www.toreck.co.jp/english/index.html>
- **CLIMB Medical Systems Inc., From Osaka**  
<http://www.climb-ms.com/en/>
- **ViewSend ICT Co., Ltd., From Tokyo**  
<http://www.viewsend-ict.co.jp/>
- **PSP Corporation, From Tokyo**  
<http://www.psp.co.jp/en/index.html>
- **Orion Electric Co., Ltd., From Nagoya**  
<http://www.oriden.co.jp/engcatalog.html>

## Robotics focus in Japan Pavilion at CES 2014 in Las Vegas

JETRO Chicago will once again be exhibiting in the Robotics TechZone at the 2014 International Consumer Electronics Show (CES) taking place from January 7-10, 2014, at the Las Vegas Convention Center (LVCC) in Las Vegas, Nevada.

Several robotics companies from Japan will be featuring their leading edge robot technology at CES 2014, and will be seeking business opportunities and partnerships in the US market. More detailed information on exhibiting companies will be provided later. JETRO Chicago will be located at Booth 21862 within the Robotics TechZone in South Hall One of the LVCC.

In addition to the exhibition, the inventor of the therapeutic robot Paro, Dr. Takanori Shibata, Chief Senior Research Scientist at National Institute of Advanced Industrial Science and Technology (AIST), Japan, will participate in a panel session entitled "A Robot in Every Home" on Thursday, January 9, as part of the 2014 International CES Conference. Detailed time and room information for the panel session will be provided later. Additional registration is required to join the conference sessions at the CES 2014.

For more information about the International Consumer Electronics Show, visit <http://www.cesweb.org/>. For more information about Japan's robotics industry, contact Kevin Kalb, at [kevin\\_kalb@jetro.go.jp](mailto:kevin_kalb@jetro.go.jp). You are also invited to follow JETRO's Twitter feed, @jetrorobot.



## Meet JETRO Chicago's new Director of Agriculture & Research



Mr. Daisuke Ito has been appointed to succeed Daisuke Kojo as Director of Agriculture & Research at JETRO Chicago.

Mr. Ito joined Japan's Ministry of Agriculture, Forestry and Fisheries in 2003, after his graduation from Tokyo University. Since then, he has been working as a government official continuously.

Before coming to Chicago, he worked as a deputy director of the Japan Financial Service Agency for three years, supervising major Japanese banks. With this background, he is strongly interested in financial and agricultural markets.

Surprisingly, Mr. Ito is looking forward to the winter weather in Chicago! He lived in Hokkaido in the northern part of Japan for two years, and he says, "I like snow. Winter is fun!" Whatever the weather, JETRO Chicago extends a warm welcome to Mr. Ito.

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## A look at the Japan - Midwest U.S. Association Meeting in Tokyo

Prepared by Ralph Inforzato, JETRO Chicago

The 45th Annual Joint Meeting of the Midwest U.S. - Japan Association and Japan - Midwest U.S. Association took place September 8 through 10, in Tokyo, Japan. More than 350 representatives from the Midwest region and Japan attended.

### Opening Statements

**Yuzaburo Mogi**, Japan Conference Chairman, Honorary CEO and Chairman of the Board of Kikkoman Corporation, said there are very strong ties between the U.S. and Japan because of the active participation in this conference in 2011 and 2013. Kikkoman will never forget the strong support it received from the Midwest and particularly the State of Wisconsin when it invested in the U.S. in 1967.



JETRO Chicago Chief Executive Director Ichiro Soné with Wisconsin Governor Scott Walker

**Michael Moskow**, U.S. Honorary Conference Chairman, Vice Chairman and Senior Fellow on the Global Economy, Chicago Council on Global Affairs and

former President and CEO, Federal Reserve Bank of Chicago, said that the growth of the membership of the association shows that it is evident of the strong political, economic and cultural ties between the midwestern U.S. and Japan.

### Strong Representation from Midwest Governors, Lieutenant Governor

Five Midwest governors, **Terry Branstad** (Iowa), **Pat Quinn** (Illinois), **Mike Pence** (Indiana), **Rick Snyder** (Michigan) and **Scott Walker** (Wisconsin) with one lieutenant governor, **Lavon Heidemann** (Nebraska) attended and spoke at the conference.

For Governors Pence and Walker, it was their first time as Governors to visit Japan, as well as for Lt. Governor Heidemann. Governor Pence was accompanied by 40 Indiana business and economic development representatives from various parts of Indiana, the largest state delegation to join the conference. Also, three mayors from Indiana cities which are home to Japanese companies



Iowa Governor Terry Branstad with Ichiro Soné

accompanied Governor Pence. For Governor Branstad, this was his 15th visit to Japan as Iowa's governor.

The Governors acknowledged the very close trade and investment relationship that their states and the greater Midwest region have with Japan. All of the governors explained their states' growing exports to Japan as evidence that the Japanese market is growing.

Japanese investment in the Midwest has always been considered by these governors as an important source of job creation and business growth for their states. However, for the first time it was acknowledged by Governor Pence that it was the presence of Japanese companies in Indiana that sustained the state's economy during the 2008 recession and during the slow economic recovery, essential to keeping Indiana's economy sound and Indiana workers employed. Governor Snyder also said for the first time that Japanese companies in his state played



Illinois Governor Pat Quinn, with Ichiro Soné



### Personal View

**Hon. Scott Walker, Governor, State of Wisconsin**

"The Midwest U.S.-Japan Association Conference provided us the opportunity to meet with the heads of Japan's leading corporations and promote Wisconsin as a great place to invest or build a business. Discussions on Wisconsin's manufacturing tax credit and our new early stage venture capital program, administered through the Department of

Administration and State of Wisconsin Investment Board, drew a great amount of interest from corporate leaders."

The 'energy' theme of the conference synced with one of Wisconsin's unique industry sectors – energy, power, and controls. Our leadership in innovation and discovery of new energy systems and technologies resulted in the selection of Charles Hoslett with UW-Madison Corporation Relations, and Kevin Crawford with Orion Energy, to the Association's energy committee.

Wisconsin's influence around the world was evident throughout the visit. A luncheon hosted for alumni of the University of Wisconsin-Madison living in Japan quickly revealed the lasting impact of a positive Wisconsin experience. Graduates spoke incredibly well of their time in Wisconsin, in one case even 50 years later. It was refreshing to hear about how they are continuing to spread the good



news about all Wisconsin has to offer.

Along with Reed Hall, Secretary and CEO of the Wisconsin Economic Development Corporation (WEDC), we had face-to-face meetings with Japanese business leaders, helping us identify several Japanese businesses that align with the state's core industry strengths and would potentially establish an investment or location in Wisconsin. We were able to tour the Kikkoman factory and meet with other businesses who have operations in Wisconsin.

In addition to the successful meetings, my wife, Tonette, and I were able to meet with individuals of Chiba Prefecture, who were aided by the tsunami relief she organized in March 2011. Meeting with them on the first day was a good reminder for the rest of the trip that our sister-state relationship is about more than just business.

Coming off this successful conference, the WEDC will attend the Select USA conference, the U.S. Department of Commerce's foreign direct investment program, at the end of October to promote the state's assets to potential Japanese and other foreign country investors.

Next year's Midwest U.S.-Japan Association Conference will be held in Iowa, giving Wisconsin another opportunity to showcase itself with global business partners.





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*Hiroyuki Ishige (left), JETRO Chairman and CEO, moderated an Executive Panel Discussion, "Exploring Japan – U.S. and Asia Partnerships." Panelists included: James Mueller, Vice President, Atlantic & Pacific Sales, United Airlines; Takehiko Kiyohara, Chairman, Sankei Shimbun Co., Ltd.; Peter M. Jennings, President, Dow Japan/Associate General Counsel with Oversight for Asia Pacific; and Takeo Inokuchi, Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd.*

an important part in Michigan's economic comeback.

Governors Pence and Walker also said for the first time at this conference that trade and investment is a two-way street and they will also encourage their states' companies to invest in Japan.

Governor Pence noted that his wife was visiting Vera Bradley, an Indiana women's handbag and accessory retailer. Vera Bradley expanded to Japan in 2011.



*First Lady of Indiana Karen Pence visits a Vera Bradley store in Tokyo.*

The Midwest governors also emphasized the importance

of intensifying environmental exchanges with Japanese prefectures. Governor Pat Quinn said that Japan and the State of Illinois are "Water Cultures" and he signed a Sisters River Agreement with Saitama Governor Ueda during the conference.

Shiga Prefecture Governor Yukiko Kada and Governor Snyder also reaffirmed their long history of a Common Lake Culture between Lake Biwa and Lake Michigan since 1984.

Governor Quinn importantly said that Japanese companies are in fact greatly contributing to developing the use of clean technology in Illinois. Governor Quinn said that as part of his effort

to build a high speed rail system that will link Chicago and Detroit and Chicago and St. Louis, Nippon Sharyo will build high speed passenger rail cars in Illinois.



*Nebraska Lieutenant Governor Lavon Heidemann addresses the meeting.*

Lt. Governor Heidemann, said that this was his first visit to Japan. He said that Japan is linked to Nebraska by its strong ties of exporting agricultural commodities to the Japanese market. He said that Japan is the largest export market for Nebraska beef.

**See "Japan-Midwest U.S. Association" on page 6**



*(From left) Ichiro Soné; Hiroyuki Ishige, JETRO Chairman and CEO; Indiana Governor Mike Pence; Tatsuhiko Shindo, former JETRO Chicago Chief Executive Director; and Toshinaga Hirai, Senior Coordinator (North America), Planning Department, JETRO*



### Personal View

**Marie Briganti, International Business Development Manager, Michigan Economic Development Corporation (MEDC)**

This year's Japan-Midwest U.S. Conference in Tokyo provided Japanese business leaders an opportunity to meet Michigan Governor Rick Snyder and to hear the real story of America's Comeback State and the opportunities Michigan offers Japanese businesses.

For me, a former expatriate, it was heartening to hear the general appreciation of the Japanese culture and investment from all the Midwestern state speakers. Each governor's remarks included some form of appreciation for shared values; especially our community-oriented skilled workforce and the monozukuri abilities within our DNA. Everyone seemed to agree that the regional power of the Japan-Midwest collaborations will continue to allow both countries to remain competitive leaders in the global marketplace.

As the newest member of Governor Snyder's economic development team, the Conference was a time to share the singular values that make Michigan so attractive to its Japanese community, as a place to build a business and, just as importantly, as a place to live and raise a family.

Michigan today is home to thousands of Japanese nationals and proudly boasts more than 480 Japanese-owned businesses. Included in this number are 262 Japanese-owned manufacturing facilities that have become a significant presence in North America's Automotive Capital.

The Japan Business Society of Detroit ([www.jbsd.org](http://www.jbsd.org)), developed so strongly because it was primarily a one-industry business society, but it now provides its members from many industries complete supply chain networking and weekly events and activities. All of this may have contributed to the 46 percent population growth over the past 12 years to more than 11,000 Japanese nationals who now live, work and play in Michigan.

Michigan's delegates at the Japan-Midwest U.S. Conference were happy to have the chance to tell the new business-friendly Michigan story. As we look to the future, Japan's friendship and partnership are more important than ever.



*Michigan Governor Rick Snyder meeting with former Consul General of Japan in Detroit, Kuninori Matsuda at the Midwest U.S. - Japan Association joint meeting.*

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## Japan - Midwest U.S. Association Meeting ... from page 5

### Japanese Prefecture Governors' Summaries

**Governor Yukiko Kada**, Shiga Prefecture, said that Lake Biwa is the largest fresh water resource in Japan and one of the largest in the world. It was the direct result of a housewives movement in the 1970s to prevent water pollution in Lake Biwa and the Yado River Basin that a Shared Lake Culture has developed in Shiga's global relationship with the State of Michigan which also has the same mindset in taking care of Lake Michigan.

**Governor Kensaku Morita**, Chiba Prefecture, praised the immediate response of the United States to assist Japan during Operation Tomodachi during The Great East Japan Earthquake in March 2011. "The U.S. immediately helped and we will never forget."

**Governor Kiyoshi Ueda**, Saitama Prefecture, made his tenth conference appearance, making him the longest serving Japanese or Midwest governor to participate in the Joint Meeting. He stated that both Japan and the U.S. are global leaders in research and development in key scientific areas of chemistry, physics and medicine as both countries have a predominant share of Nobel Laureates in these particular scientific sectors.

**Governor Shomei Yokouchi**, Yamanashi Prefecture, praised the long and enduring relationship that Yamanashi and the State of Iowa have shared since 1960. The governor explained that like Iowa, Yamanashi is Japan's heartland.

**Governor Takuya Tasso**, Iwate Prefecture, was invited to address the Joint Meeting as a special guest governor. Iwate was one of the areas of the Tohoku region of Japan that was devastated from The Great East Japan Earthquake of March 11, 2011, and is currently recovering. He explained that as of August 3, 2013, Iwate suffered 4,672 fatalities with 1,145 residents still missing with 25,00 homes destroyed.

Governor Tasso praised the United States for how quickly it provided support as well as U.S. Ambassador John Roos who personally called him to offer the assistance U.S. military forces which became known officially as Operation Tomodachi.



### Personal View

**Larry Ingraham, President, Ingraham & Associates, Inc.**

The Imperial Hotel in Tokyo was the setting for the 45th Annual Joint Meeting of the Japan-Midwest U.S. & Midwest U.S. -Japan Associations that was held from September 8-10, 2013 with over 320 attendees from the U.S. and Japan.

This was the 28th consecutive Midwest conference that I have attended since facilitating Indiana becoming an official state member beginning with the 1986 conference in Tokyo.

Japan's major corporations, banks, construction firms and trading companies are members of the Japan-Midwest U.S. Association, while nine U.S. states comprise the Midwest U.S.-Japan Association: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. This year five U.S. governors from Illinois, Indiana, Iowa, Michigan and Wisconsin represented their states, as did the Lieutenant Governor of Nebraska. Likewise, five Japanese governors from the prefectures of Chiba, Iwate, Saitama, Shiga and Yamanashi also participated.

The annual Midwest conference is the most important event between the U.S. Midwest and Japan. Held over a three day period, it is the premier networking opportunity to meet top leaders from Japan's government and business world in one place at one time!

The conference also presented a great opportunity to visit with Consul General Masaharu Yoshida of the Consulate General of Japan at Chicago, and new incoming Consul General Kazuyuki Katayama of the Consulate General of Japan in Detroit.

For U.S. companies and communities who are already doing business with Japan, and especially for those looking to start business with Japanese firms in the U.S. and Japan, this annual Midwest-Japan conference is an excellent way to make and strengthen relationships, and open doors of mutual opportunity.

Please mark your calendars now to attend the 46th Annual Joint meeting in Des Moines, Iowa from September 7-9, 2014.

## 2013 JETRO Global Trade and Investment Report

On August 8, 2013, JETRO's Overseas Research Department published the "2013 JETRO Global Trade and Investment Report: Revitalizing Japan Through Global Business." It contains detailed information on the world economy, trade and direct investment; trends in the development of world trade rules; and the revitalization of Japan through global business.

Key points discussed include the following and much more:

- World trade and investment was low in 2012, while the world economy is predicted to remain at the same level in 2013.

- Japan's trade balance ended in the red for the second consecutive year.
- Japanese outward FDI increased for the second consecutive year, and investment toward ASEAN countries accelerated.
- Entering the era of mega FTAs, Japan shows a strong presence.
- FTA utilization by Japanese companies expanded.

A press release with more information about this report can be found at <http://www.jetro.go.jp/en/news/releases/20130808148-news>. The release includes a link to the full overview with detailed charts and text, in English, downloadable as a PDF file.

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Follow @jetrorobot on Twitter.

For biotech information, contact Robert Corder, at [robert\\_corder@jetro.go.jp](mailto:robert_corder@jetro.go.jp)



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## Monozukuri ... from page 1

JETRO Chicago has promoted the manufacturing philosophy of “Monozukuri” to facilitate better understanding and collaboration between the Japanese and North American automotive supplier communities, and since 2007, has held the series of seminars across the Midwest, Canada, and mid-South. This seminar will provide insights and expectations from both US and Japanese manufacturers on how to establish a successful company culture based on continual production improvements, innovation, and human resource development.

The Chief Executive Director of JETRO Chicago, Ichiro Soné, will deliver a luncheon keynote presentation to review the latest policy updates on “Abenomics,” the Trans-Pacific Partnership (TPP) trade agreement, and Japan’s recovery efforts from The Great East Japan Earthquake of March 2011. Additionally, an economic overview of the Japanese automotive industry in Japan and North America will be provided, including investment from Japanese manufacturers in the South.

Southern states have continued to see significant growth in investment from foreign OEMs and suppliers. Alabama’s manufacturing sector is unique in that automakers from Germany (Mercedes Benz), Korea (Hyundai), and Japan (Honda, Toyota) all have production facilities in the state, which of course not only brings a strong base of suppliers from each respective country, but also varying manufacturing philosophies and company cultures.

The afternoon portion of the seminar will offer local ‘Monozukuri’ perspectives from Alabama’s two Japanese OEMs, featuring speakers Tom Shoupe, President of Honda Manufacturing of Alabama, Inc., Lincoln, Alabama, and Mark Brazeal, General Manager of Toyota Motor Manufacturing, Alabama, Inc., Huntsville, Alabama. Both speakers will participate in a question and answer session following the presentations, which will be moderated by Ron Davis, President of the Alabama Automotive Manufacturers Association (AAMA).

A supplier’s panel session with Japanese and American suppliers will round out the afternoon seminar. Melanie Hart, President of TASUS Corporation in Bloomington, Indiana, will discuss her company’s strong focus on customers and employees as a strong Toyota supplier. Headquartered in Nagoya, Japan, and part of the Tsuchiya Global Group Companies, TASUS has also recently opened a facility in Florence, Alabama to meet the rising demands of automotive manufacturers in the South.

Two American companies will round out the supplier panel session and showcase their own company philosophies and how they have successfully established business with Japanese manufacturers. Billy Vickers, President and CEO of Modular Assembly Innovations (MAI), will discuss how his group of companies has become a successful Honda supplier through innovative manufacturing and assembly solutions. While the parent corporation of MAI is located in Dublin, Ohio, an additional assembly facility is located in Lincoln, Alabama.

Charlie Russell, Founder and President of PTM Corporation of Fair Haven, Michigan, will convey his unrivaled story as a native of Mississippi moving to the industrial North in the 1960s and establishing a successful stamping company that now supplies to most major OEMs. The supplier panel session will include a question and answer session to be moderated by Glenn Stevens, Senior Vice President of Membership and Sales at the Original Equipment Suppliers Association (OESA) of Troy, Michigan.

A networking reception sponsored by the Birmingham Business Alliance and the Japan-America Society of Alabama will conclude the day’s activities, giving the chance to create new business relationships and opportunities. Inquiries about this year’s Monozukuri program should be directed to Kevin Kalb, Project Coordinator, JETRO Chicago, at [Kevin\\_Kalb@jetro.go.jp](mailto:Kevin_Kalb@jetro.go.jp).

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## Guest View... from page 1

representing Magna, the Canadian Automotive Parts Manufacturers Association or OESA. I will surely miss these opportunities as I move on to the next chapters in my career and retirement.

The most memorable trip without any doubt, was a visit to Japan at JETRO’s request in November of 2011. The purpose of the trip was to assess and report on the recovery efforts within the automotive supply chain. My own interest went beyond that. I wanted to hear the stories behind the rapid recovery of the disaster-stricken areas of Japan and how Japan was dealing with the major impact on its citizens

It was a well-publicized story in North America that the Japanese plants came back online faster than anyone initially forecasted, but that did not happen on its own. No one had a contingency plan in place for the disruption of some 500 Japanese automotive assembly and parts plants. I wanted to see how the companies regrouped and recovered so quickly. I needed to go and see in order to understand. So, in late November, I made a detour on my way to Tokyo for previously scheduled meetings.

I had meetings with a number of different government agencies and automotive supplier companies. Each supplier company I visited sustained physical damage to its facilities and showed us photos of

the damage. The photos revealed buckled ceilings, desks swept clean of equipment which had fallen to the floor, turned over file drawers, collapsed roofs, buckled floors, equipment in total disarray and general scenes of chaos.

Each company indicated it was just a matter of days before some aspect of production was back up and running. What remained constant at each company was a powerful drive toward recovery – a need to resume operations, a commitment to the customer, to employees and to the community to overcome the chaos and return to normal operations. This drive, and commitment to excellence in manufacturing, is the spirit of monozukuri. There was never any question about getting back to business as usual; rather it was how fast it could be done, and what obstacles needed to be overcome to achieve that goal. I will never, ever forget this.

I continue to be in awe of the human spirit that comprises this great automotive industry of which we are all a part. It is truly my great honor to have worked for so many years among such dedicated individuals. Although I am retiring from OESA, I do plan to remain active in the industry, and if I am very lucky, I will have future opportunities to visit Japan once again.

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These days in Japan, people are surrounded by imported products from around the globe. Can you believe that Japan runs a trade deficit with the world? When I met with Kansas Governor Sam Brownback in August at his office in Topeka and mentioned this, he said, "Welcome to the (deficit) club!" The U.S.-Japan economic relationship has certainly changed quite a bit over the past 20 years.

Above all, I think the American people's perception of Japan has changed, in a positive way. In the Midwest, there are 2,000 Japanese companies that employ 200,000 people. Japanese companies tend to commit to doing business for the long term: once they invest, they stay. They are very much welcomed as good corporate citizens in local communities, and Japan is now well-regarded as a "reliable partner" for them. I am deeply impressed by this, because I so vividly remember the tough times 20 years ago. I have deep appreciation for those Japanese companies and all of the people who have nurtured the U.S.-Japan relationship on a grassroots level with their outstanding efforts.

From September 8-10, The 45th Annual Joint Meeting of the Japan-Midwest U.S. and Midwest U.S.-Japan Association was held in Tokyo. More than 320 representatives from both sides, including five governors and one lieutenant governor from U.S. States in the Midwest (Iowa Governor Terry Branstad, Indiana Governor Mike Pence, Illinois Governor Pat Quinn, Michigan Governor Rick Snyder, Wisconsin Governor Scott Walker, and Nebraska Lt. Governor Lynn Heidemann), five governors from Prefectures in Japan (Shiga Governor Yukiko Kada, Chiba Governor Kensaku Morita, Saitama Governor Kiyoshi Ueda, Yamanashi Governor Shohei Yokouchi and Iwate Governor Takuya Tasso), and many corporate executives attended the meeting. This Annual Joint Meeting has been held every year since 1967, and I believe such a long-lasting cross-border regional business partnership event is quite rare in the world.

At the meeting, I strongly reaffirmed one of my beliefs, which is that, "Japan and the U.S. share common values."

Coincidentally, some of the Midwest governors also stated that the reason why their states' relationship with Japan is so close is because they share common values. Governors Pence, Snyder and Walker in particular made strong and direct statements about this.

Governor Pence said that Indiana and Japan "share the values of discipline, humbleness, family orientation, integrity, generosity, ability to work hard, and modesty." He said that, "these values are the foundation of KIZUNA (bond of emotion) between Indiana and Japan."

Governor Snyder said that the Japanese people and the people of Michigan "have a commonality in being honest, humble, and hardworking people."

Governor Walker said that people from Wisconsin share with the Japanese a dedication to free trade and the rule of law.

Iowa Governor Branstad said that Iowa's relationship with Yamanashi Prefecture, which began in 1960, was built from Iowa's assistance of Yamanashi after a typhoon in 1959. The work that the Iowa and Yamanashi people did to rebuild Yamanashi's hog industry enabled Iowans to experience the generosity and hardworking ethic of the Yamanashi people. This common American and Japanese joint response to a crisis laid the foundation for the very first U.S.-Japan sister state agreement between Iowa and Yamanashi. U.S. Agricultural Secretary Tom Vilsack (a former Iowa governor) recently visited Yamanashi to continue this friendship.

JETRO Chairman and CEO, Hiroyuki Ishige led the panel session entitled "Exploring Japan-U.S. and Asia Partnerships". The panel's conclusion

was as follows: As two of the world's leading economic powers, Japan and the U.S. can play an important role in promoting economic growth in the Asia-Pacific region. The discussion included the need for Japan and the U.S. to cooperate closely in the TPP negotiations, where participants intend to establish high-level rules regarding trade and investment.

Japan and the U.S. can cooperate to establish high-level rules because they share common values on international trade and investment. The high-level rules will have a good influence on other FTA/EPA agreements, and can help foster such values in China and other emerging countries.

Now Japan is working on three mega-FTAs, which are TPP (Trans-Pacific Partnership), RCEP (Regional Comprehensive Economic Partnership = 10 ASEAN countries, plus Japan, Australia, China, India, Korea and New Zealand) and Japan-EU Economic Partnership Agreement. If you add the U.S.-EU FTA = TTIP (Transatlantic Trade and Investment Partnership), these will represent 80% of the world's GDP. Promoting mega-FTAs is essential for the global liberalization of trade and investment, and Japan and the U.S. can together face the challenge of business expansion in emerging markets.

Another aspect of the meeting that strongly impressed me was that Governors Pence and Walker both said that trade and investment is a two-way street, and they will encourage their states' companies to invest in Japan.

U.S. state governments usually don't promote their local companies' foreign direct investment because some fear it could take away jobs, but it's a different story if their destination is Japan. U.S. companies invest in Japan not because they seek cheaper labor, but rather because Japan can help expand their business. Japan is the third-largest economy in the world, and it can add value to their products through collaboration with first-rate Japanese companies. Investment there can also lead their business to other Asian markets because Japan is a gateway to Asia.

I can describe one example. My colleague Ralph Inforzato and I visited Indiana-headquartered Vera Bradley's store in Ginza, one of Tokyo's most famous shopping districts, with Indiana First Lady Karen Pence and her daughter. They were so happy to see that the colorful Vera Bradley bags and accessories are popular in Japan. She said on the Governor's website, "My daughter Charlotte and I were thrilled to find this reminder of home here in Japan and see that love for this special brand really does cross cultures. It was exciting to discover for ourselves the real magnitude of Vera Bradley, which is proof that a great idea and a little Hoosier ingenuity can take you around the world."

JETRO Chicago helped Vera Bradley set up their business in Japan. It was their first foreign market entry, and they have now expanded to selling in 14 department stores throughout the Kanto and Kansai regions. I told the First Lady that many tourists from China and other Asian countries visit this Ginza store, which can definitely help their business expansion in Asian countries. Today, Vera Bradley is available at 79 Vera Bradley retail stores and 14 outlet stores across the U.S. According to the Governor's site, they currently employ approximately 50 associates in Japan, 1,000 in Indiana and 2,600 in total. They just announced in August that they plan to invest \$26.6 million to grow their Fort Wayne operations, creating up to 128 new jobs by 2017 in their second major expansion in northeast Indiana in less than two years.

We at JETRO hope we can work together with the Midwest state governments for their companies' business expansion in Japan, and I look forward to being a part of more such success stories.

In closing, Tokyo's selection to host the 2020 Summer Olympics was truly encouraging news. It will provide a positive impact to the Japanese economy and ensure "Japan is Back."