



A MESSAGE FROM THE MANAGING DIRECTOR



Shuichi Hirano
MANAGING
DIRECTOR

Dear readers,

Thank you for reading the 2016 spring edition of JETRO Sydney's newsletter.

From 2014, JETRO Sydney has received an increasing number of enquiries regarding the Australian market and Australian industries. In addition, we have also experienced a marked increase in the number of business visitors from Japan year on year.

Recently, we are increasing the number of business programs to dispatch Australian buyers in each region of Japan. There is a growing need to improve business development and relations between

Australia and Japan.

So far we have mainly dispatched Sake and Food buyers from Australia. However, recently, in addition to Sake and Japanese food, the amount of buyers in other areas is also increasing. In particular, in 2016, we have sent numerous buyers, who embrace the excellent design of Japanese goods, one after another, to various regions of Japan for business meetings and events.

Throughout Japan, there are many local industries that produce goods with traditional craftsmanship and excellent design. Many local businesses have carried out export promotion mainly in USA, Europe and Asia. However, I strongly believe they are starting to focus on Australia, which is an expanding market where there exists a high level of purchasing power.

Each local government of Japan is also promoting activities to convey their local charm to Australia

For example, for the purpose of tourism promotion, Snow Travel Expo, which is held annually in Sydney and Melbourne, the numbers of local governments who participate in the event are increasing year by year. In addition, there are a growing number of local governments holding exhibitions of their local products. JETRO also has supported events such as the Sake Business Meeting of Akita Prefecture and Okayama Prefecture, and plans to organise the Fukushima Food Products and Tourism Promotion Event, which will be held in Sydney and Perth in October of this year.

Australian and Japanese bilateral business relationships are not just industry related, but also business is expanding into regional Japanese prefectural areas. JETRO Sydney will keep engaging in these projects to help revitalization of these regional areas through promotion of Japanese local business in Australia. ●

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Photo: Courtesy of Sportstek International

FEATURE ARTICLE

Rugby supporting disaster hit Japan



Peter Gibson
General Manager
Sportstek International

Former Wallaby Rod Kafer and myself, ex Tennis Professional Peter Gibson, have come together to form Sportstek International.

Sportstek Academies run full-time world class sports & education programs in 10 locations across the eastern coast of Australia.

For myself, Japan & Sport have been my life for 31 years and to combine with Rod Kafer at Sportstek Academies has been a wonderful opportunity. As soon as I spoke to Rod about Sportstek I knew that was what I wanted to promote in Japan.

Japan will hold 2 of the 3 biggest sporting events in the world in 2019/20 and right now Japan is all about sport and education, especially English, as the country prepares for the Rugby World Cup and Olympics.

THE EDDIE JONES RUGBYTEK SCHOLARSHIPS

As part of Sportstek International's plan to support Japanese rugby, we have just hosted young Japanese rugby players from Oita, Ku-

mamoto & Iwate prefectures.

We were very specific in our selection to support these three Japanese prefectures. They are all places in Japan which have suffered from natural disasters recently and they all happen to be venues for the Rugby World Cup. I have been personally involved in supporting the recovery in Tohoku and I wanted to show the Japanese rugby world that we are supporting them.

The players were selected as part of The Ed-

George Gregan and Mick Byrne plus everyday with Rod Kafer and the Rugbytek staff and local players. They also had a private session watching the Wallabies train and reserved seats to the Bledisloe Cup at ANZ Stadium.

A LIFE CHANGING EXPERIENCE

The players said it was the best experience of their lives and they want to come back to Rugbytek as soon as they can. The following is a



Thank you so much for the one week program at Sportstek. This week has been the best memory in my entire life. From the bottom of my heart, I am grateful to Peter and Rod who organised this program."

dies Jones Rugbytek Scholarships. The scholarships, supported by our CEO Rod Kafer's good friend and Legend of Japanese Rugby, Eddie Jones, include an all-inclusive package of accommodation, transport, food, English lessons, and a Wallabies jersey signed by the team. The scholarship also includes Rugbytek training and one week in the Rugbytek program at Sydney Academy of Sport at Narrabeen.

The players had one on one coaching from

message from scholarship recipient Rinpei.

"Thank you so much for the one week program at Sportstek. This week has been the best memory in my entire life. From the bottom of my heart, I am grateful to Peter and Rod who organised this program. If you are interested in participating in Rugbytek, you will be able to get bigger and stronger, increase your skills and stamina, and make a large number of funny and interesting new friends. I will continue to train

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Photo: Courtesy of Sportstek International

Fukushima Food Products and Tourism Promotion Event

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and live playing Rugby into the future. Through this program I could get so many experiences that I couldn't in Japan, and I will definitely be coming back to Australia in the future."

In a statement by our CEO Rod Kafer, he said "It is very exciting times for Japan and Japanese rugby. We have players and teams going to Japan and we are looking forward welcoming individuals, teams and coaches to Rugbytek here in Australia and supporting the future of Japanese rugby as we head to 2019 and beyond".

Sportstek International has courses in Rugby, Soccer, Softball, Basketball, Surfing & Boxing which include English and/or other educational courses such as Certificate of Fitness.●

Peter is General Manager of Sportstek International. For more information please visit www.sportstek.jp or contact Peter directly at pgibson@sportstekacademies.com.au or pgibson@sportstek.jp

In Perth on 19th October and in Sydney on 21st October 2016, the Fukushima Association for Promotion of Exports and Tourism to Australia is holding their seminar and business meeting promotion event. The purpose of this event is to show the attraction of Fukushima tourism (mainly focused on ski resorts) and introduce some authentic and delicious local Fukushima food products.

Specifically the Sydney event will be split into two parts.

Firstly, guests will be able to attend two seminars on Fukushima tourism and food, featuring a number of key speakers.

Secondly, a networking session will be held where guests will have a chance to talk to our 3 featured companies and sample a number of their products. The companies and their flagship products are listed below.●

FEATURED COMPANIES

Komaya Sauces
Kitakata Global Club
Yamatogawa Sake Brewery

WHO SHOULD ATTEND?

Those in the tourism, hotel, food and media industry; and also those in the government sector.

EVENT DETAILS

Perth

Date: Wednesday 19th October, 2016

Time: 6:00 - 8:00pm

Venue: Residence of the Consul-General of Japan in Perth

Sydney

Date: Friday 21st October, 2016

Time: 11:00am - 1:00pm

Venue: JETRO Sydney Conference Room
19/39 Martin Pl, Sydney NSW 2000

Organiser: Fukushima Association for Promotion of Exports and Tourism to Australia
Admission: Free (Bookings are essential)

RSVP: by 18th October 2016

Contact: syd-bd@jetro.go.jp



Photo: Komaya Sauce Karaage



Photo: Kitakata Ramen



Photo: Yamatogawa Sake

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Australia and Japan: Economics plus Geopolitics Aligned



Manuel Panagiotopolous
Australian & Japanese
Economic Intelligence

At this moment there is a great deal of discussion and commentary about Australia's economic relationships with various countries. Trade and investment are being discussed in the same context as geopolitics and security, making for a heady brew. I have spent the last year looking at these issues in detail and have just published a report for the Australia-Japan Foundation (publically available and free of charge) called Australia and Japan Create a New Economic Paradigm.

In this report I have used the incredibly fruitful Australia-Japan business partnership, which this year celebrates the 40th anniversary of the Basic Treaty of Friendship and Cooperation, as a model to evaluate the qualitative aspects of Australia's major economic partnerships. The Australia-Japan model is built on long-term relationships, new complementarities and the alignment of shared geopolitical priorities and values.

My contention is that these shared alignments and relationships of trust increase the value of economic transactions. Conversely, greater disparity between Australia and its economic partners lowers that value by increasing risk.

Using numerous data sources, my analysis showed that Australia's largest inward economic engagement is with the US, followed by Japan and the UK, followed by The Netherlands, China and Singapore. Contrary to just relying on simple trade figures, Japan's measure was three times the size of China's.

When the analysis took account of all data, both inflow and outflow, Japan was third, behind the UK, although still more than twice the size of China's measure. The reason Japan was third was the paucity of Australia's investment into Japan, specifically FDI.

There are several major Australian companies that have made significant investment commitments in the Japan, including ANZ, NAB, Lend Lease, Dominos Pizza, Goodman, Challenger and others who are looking closely for future opportunity, such as Crown and Mesoblast. There are also new potential opportunities arising from recent equity tie-ups such as AMP Capital –

MUFJTB and MLC – Nippon Life.

In Asian countries, too, there are new opportunities explored via JV or equity injection, such as Fuji Xerox – Salmat, Toll – Japan Post, Lion – Kirin. The array of new ways of business development is expanding.

However, it is investment into Japan that also provides real opportunity. Japan's protection of intellectual and property rights, rule of law and transparent regulatory system, R&D leadership, sophisticated economy and culture are attractive features. In addition, the transformation of the economy since the application of Abenomics has been enormous, providing not just higher levels of employment and national income but real reform in major sectors: deregulated energy sector; reform of the housing market; legal and tax restructuring in major service sectors such as accommodation, transport, medical and nursing care; reform of the agricultural sector; the active promotion of further expansion of incredibly successful inbound tourism sector, sure to be intensified with the approaching World Cup Rugby and Olympic Games.

Positive reform always provides enormous opportunities for new investment. Gambaro!●

WANT TO DO BUSINESS IN JAPAN? CONTACT JETRO SYDNEY:

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SUCCESS CASE:

lookatme™

Jennifer Bean
JETRO Victoria
Investment Consultant

Australia's leading Digital Asset Management Company LookatmeDAM, business of Media Equation Pty. Ltd., founded by Managing Director Mr. Rus Littleleson, has established a Sales, Marketing & Development Company in Japan following its incorporation as a Japanese Kabushiki Kaisha (K.K.) company in April 2016.

Lookatme Tokyo office is located in the Ohashi Building in the Suginami business district and operated by a team of three personnel.

In 2012, Melbourne Headquartered LookatmeDAM first introduced its product to the Japanese market through its Distribution Partnership with Tokyo based Japanese Kotarosoftware, Inc. Its donation of its technology to Sendai's Tourism Body to help promote the region during its recovery and rebuilding process was Lookatme's first major business initiative in the Japanese market. Since its entry into Japan in partnership with Kotarosoftware, Lookatme has successfully localised its technology so it meets the needs and demand of Japanese clients. Continuing its partnership and collaboration with Kotarosoftware, LookatmeDAM Australia established Lookatme Japan, Inc. to

service the rapidly growing Japanese market for Digital Asset Management (DAM).

Lookatme Japan, Inc. has already entered a distribution agreement with a leading Tokyo-based tourism consultancy. In the long-term, Lookatme's objective is to expand its business to clients throughout the whole of Japan.

Kotaro Takahashi, Lookatme Japan branch manager will lead the marketing effort. A technical team will assist with the ongoing localisation and implementation of the LookatmeDAM solution.

LookatmeDAM is an essential tool to feed the demand for visual assets to be syndicated automatically on the IOT and Japan is proving to be an early adopter of M2M solutions.

Lookatme DAM machine-to-machine video embedding, launched in January this year, automates the harvesting of consumer behaviour statistics, critical data for anyone with a brand to promote.

The LookatmeDAM solution is used by Sendai Tourism, Convention and International Association, Visit Victoria, Tourism Fiji, Virgin Australia, Tourism Australia and every state and territory tourism body in Australia to distribute images and video to tourism partners and the media. LookatmeDAM supports most languages including Japanese, Chinese and Korean.

JETRO and the Victorian Government Business

Office Tokyo have guided LookatmeDAM in its expansion into Japan.

When Mr. Rus Littleleson first decided in 2011 to investigate opportunities in the Japan market, he met with JETRO Business Development & Investment Advisor Jennifer Bean in Melbourne. They discussed Lookatme's business plan for the Japan market in order to obtain information about the type of services and assistance JETRO offers to foreign companies. This would aid them in planning the expansion of their business in Japan through the establishment of an office and through collaborative projects with a Japanese company.

Following its registration as a JETRO Support Case, LookatmeDAM was eligible to utilise JETRO's range of support services that aim to assist foreign companies invest in Japan. Prior to the incorporation of Lookatme Japan and the opening of its Tokyo Office, Media Equation Representative staff met with JETRO Specialist Advisors in Tokyo at JETRO'S Invest Japan Business Support Center (IBSC). This was to obtain information related to the rules, regulations and process of incorporating a business in Japan and matters concerning taxation and HR.

Lookatme Japan Inc. will be officially launched at the JATA Tourism Expo Japan at Tokyo Big Sight, 22-25 September 2016. ●

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Editor's Corner: Internet of Things: Bringing Innovation to Japan



Adam Sims
Editor

The Internet of Things (IoT) is a term that perhaps not many have heard of but is becoming more and more mainstream in our modern internet connected world. First coined in 1999, fast forward 15 years and now has come to represent the next evolution of the internet.

IoT itself can be defined as the technologies carrying out data collection and control by interconnecting devices to the internet, and the services related to these technologies. What this means in real terms is an intersection of people, data, and intelligent machines helping to create a "smarter" economy with numerous real world benefits. IoT represents the next leap in the ability to gather, analyse and distribute data, which can be subsequently turned into information, knowledge, and ultimately, wisdom.

The total global IoT market for 2014 was approximately \$656B USD, and is expected to grow an annual average of 17% to approx. \$1700B USD by 2020. Furthermore, the number of internet connected devices is expected to increase 34% from approx. 6.4 billion to 20.8 billion in 2020.

Japan's IoT market can be divided into a number of areas, such as devices, networks, the cloud, and platforms, and the integration and application of these devices and services. Many major players provide both integration and manufacturing. Examples of Japanese companies breaking into the IoT sector are many. In July, telecommunications giant Softbank purchased ARM Holdings, a British-based semiconductor and software company, as part of its preparation for IoT services. In May, multinational conglomerate Hitachi dedicated \$2.8B USD in investments towards IoT-related research and development.

Japan's current IoT market is valued at \$103B USD, a number that accounts for approx. 23% of

all IoT market revenue in the Asia-Pacific region. In addition, this figure is expected to increase by nearly 70% over the next five years thanks to recent government incentive programs, consumer demand, and the fast-approaching 2020 Tokyo Olympics.

Breaking down Japan's IoT market by industry, 90% was comprised of the four domains of energy, security, logistics and automobiles. Other areas expected to grow into the future include healthcare, manufacturing, construction, and agriculture.

The Japanese government is looking to realize a society comprehensively utilizing IoT. The government also aims to accelerate the institutional reform and development of rules and regulations for further integration of IoT technologies into society. JETRO has identified IoT as a key target sector for foreign investment into Japan, and is currently working with a number of companies to establish and develop footholds in Japan's IoT industry. ●



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