



A MESSAGE FROM THE MANAGING DIRECTOR



Shuichi Hirano
MANAGING
DIRECTOR

Dear readers,

Thank you for reading the 2016/17 Summer edition of JETRO Sydney's newsletter.

2016 could be described as the year in which there was acceleration in business between Australia and Japan. Particularly, there has been a clear increase in business momentum between Australia and Japan, with shuttle democracy commencing between the Prime Ministers of Australia and Japan and the Japan Australia Economic Partnership Agreement (JAEPA) coming into full force.

Investment into Australia from Japan continued strongly into 2016. The financial services sector was especially prominent, with the completion of NAB's sale of its life insurance business MLC to Japan's

Nippon Life, Japan-based Sony Life Insurance obtaining a stake in ClearView Wealth, and Japan's Rakuten acquiring 100% ownership of Australia-based FXAsia Pty Ltd being just some of the continuing examples.

However, while there was no large value expansion into Japan by an Australian company, the services sector, especially the expansion of the various fast food chains, and famous restaurants, from all over Australia into Japan was prominent in 2016. The Sydney based Modern Greek restaurant The Apollo opening a store in Ginza in March was one such example.

In addition, the potential for new business creation as a result of the synergy brought about between Japanese and Australian companies through the use of Australia's technological prowess is one area that has been attracting particular attention.

For example, the Japanese company Teijin intensified their joint development of functional food with the Melbourne-based The Healthy Grain Pty Limited, and of July 2016 began test marketing the sale of their product, which makes use of the su-

per wholegrain BARLEYmax™, within the Japanese market. Since then, the award winning product has attracted a great deal of attention.

Meanwhile Fuji film invested into the Australian regenerative medicine venture Cynata Therapeutics Limited in August 2016, and has since gone on to incorporate the technical skills and know-how that Cynata Therapeutics possessed to further their own research and development of regenerative medicine products.

When Prime Minister Malcolm Turnbull visited Japan in December 2015, he reached an accord with Prime Minister Shinzo Abe concerning the furthering of innovation cooperation between Australia and Japan. Whilst previously expansion in the resource and energy sectors has taken main stage, the above-mentioned innovation cooperation between Australia and Japan should further intensify, with 2017 becoming the year when the massive scale of that potential becomes readily apparent.

It therefore would not be an exaggeration to say that business relations between Australia and Japan are expanding to a new stage. ●

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Photo: Courtesy of Madman Entertainment

FEATURE ARTICLE: Madman Entertainment Japanese Pop Culture in Australia



Nathan Kershaw
Event Manager
Madman Entertainment

Madman Entertainment is Australia's leading independent theatrical, home entertainment distribution and rights management company, specialising in the wholesale distribution of DVD and Blu-Ray product into sales channels throughout Australia and New Zealand. Madman proudly showcases the best in collectible and special interest genres including Australian film, world cinema, TV, kids' content, Anime, sports and more.

EARLY DAYS

Established back in 1996 by a couple of self-confessed nerds, keen to share their passion for awesome content, Madman is proudly independent, run by fans, for fans and is still managed by founders Tim Anderson and Paul Wiegard.

When recently interviewed, Mr Anderson said the following: 'Madman started distributing Japanese anime around 20 years ago. We learned about the amazing variety of imaginative and high quality animation produced for all age audiences in Japan and believed there was an opportunity in the Australian market for this genre.

20 years later we are amazed and pleased that the market has shown consistent growth, first through video, then DVD and Blu-Ray, and more recently through VOD platforms like our own animelab.com making Japanese animation more and more accessible to a wider audience.

One of the most striking demonstrations of the growth of the genre is attendance of anime fans at conventions. Recently Madman celebrated our love of anime at "Madman Anime Festival"



Madman started distributing Japanese anime around 20 years ago. We learned about the amazing variety of imaginative and high quality animation [...] and believed there was an opportunity in the Australian market for this genre. ."

in Melbourne with around 10,000 fans. We have also recently announced that Madman Anime Festival will be coming to Perth in March and Brisbane in June and look forward to celebrating anime with fans there also!

MARKET APPROACH

Madman has been the voice of anime in Australia and New Zealand for 20 years. As Australia and New Zealand's largest distributor of Japanese entertainment content, Madman releases over

200 products per year, including DVD, Blu-Ray and limited edition "premiums", and represents some of the biggest brands in anime including Studio Ghibli, Dragon Ball Z, One Piece, Naruto, Sailor Moon, Attack on Titan, and Evangelion.

Madman also have a strong focus on bringing Japanese live action and anime films to Australian and New Zealand cinemas. For over 10 years Madman has distributed Japanese film content, and has pioneered a "speed-to-market" ap-

proach, ensuring that fans can see films released in cinemas as close as possible to the Japanese theatrical release date. In 2016 alone, Madman has released a slew of Japanese and anime films in cinemas, including Shin Godzilla, Your Name, The Boy and the Beast, Final Fantasy XV: Kings- glave, One Piece Film: Gold, and Only Yesterday.

In addition to releasing Japanese content on disc and digital, Madman Entertainment

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Photo: Courtesy of Madman Entertainment

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also operates AnimeLab, a dedicated anime video platform that fast-tracks hit shows direct from Japan. AnimeLab has a massive catalogue including simulcasts Naruto Shippuden and Dragon Ball Super and huge hits like Tokyo Ghoul, One-Punch Man, Attack on Titan and Sword Art Online. Subscribers have the option to have a free membership, which includes ads and standard definition streaming, or a Premium membership that (amongst other things) is ad-free, offers high definition streaming, and access to stream new episodes just hours after they air in Japan. With over 260 shows and 6,000 episodes streaming, there is no shortage of anime available for Australian and New Zealand fans to watch on demand.

Madman Entertainment sponsors over 30 anime and pop culture events across Australia and New Zealand, as well as regularly attending over 25, including Supanova Expo, Oz Comic Con, PAX and Armageddon Expo. This provides direct exposure to over 400,000 fans, allowing Madman to interact with anime and Japanese pop culture fans directly.

RECENT EVENTS

On September 3rd and 4th, 2016, Madman launched Australia's first, professionally-run,

Japanese pop culture event! Madman Anime Festival was held in Melbourne's number one event space, the Melbourne Convention and Exhibition centre and included 11 international guests from Japan, South Korea, and the USA. Licensors such as Aniplex, Bandai Visual, Toei, Pierrot and NTV provided support for the festival, and sponsors included Bushiroad, Canon, Sony, The Japan Foundation, and SBS PopAsia. Over 10,000 people from across Australia attended the festival over 2 days, enjoying exclusive exhibits and panels, unique retail offerings, a maid café, cosplay, authentic Japanese food, and the Australian premiere of One Piece Film: Gold.

Following the success of the 2016 event, Madman Anime Festival will return in 2017 in three cities across Australia: Perth on March 4-5, Brisbane on June 10-11, and Melbourne on November 4-5. The 2017 festivals will include everything that made Madman Anime Festival 2016 the anime event of the year, including exciting international guests, exclusive exhibits, screenings, awesome community events, and more! ●

Nathan is Event Manager of Madman Entertainment. For more information please visit www.madman.com.au or contact Nathan directly at +61 3 9261 9200 or nathan@madman.com.au



Photo: Courtesy of Madman Entertainment

MADMAN





Photo: <https://unsplash.com/@daryan>

Collaboration in Innovation: Not Just Words



Manuel Panagiotopoulos
Australian & Japanese
Economic Intelligence

Innovation is the new buzz word and is often hard to decide when it's real or just a nice word. But recently our friend Jane Madden, Executive Director at Austrade, gave an excellent presentation at one of my events and showed how real is the existing and potential collaboration in innovation between Australia and Japan. Naturally, this is built on the long-term partnership that Australia and Japan have enjoyed due to trust and mutual respect for intellectual property.

Real commercial examples include: 1) Plantic Technologies, which produces a range of corn starch based formulations used to manufacture a flat sheet bioplastic, which is thermoformed to produce biodegradable trays. In 2015 the world leader in barrier technology - Kuraray Group of Japan - purchased Plantic technologies to meet the ever growing global needs for more environmental and performance efficient plastics; 2) BarleyMax, which commercialized the functional aspects of a new non-genetically modified barley based super food which has extraordinary benefits for gut health. In a joint venture with Teijin Co of Japan, the product has been

developed into a muesli type product which is now so popular in Japan that production can't keep up with demand; 3) Recaldent discovered the compound CCP-ACP, which mimics the building blocks of tooth enamel. The compound is used to mineralise teeth after they have had acid attack from foods and drinks. Its biggest commercial success resulted from the incorporation of the product into chewing gum by a Japanese manufacturer.

The innovation agendas of both countries is also producing results and setting the parameters for future success. In Japan a key reform of the Abenomics agenda has been the creation of a super agency called the Agency for Medical Reform and Development (AMED) with US\$1.4 billion in funding. The first regenerative medicine solution to take advantage of this new arrangement was developed by Australia's Mesoblast who partnered with a Japanese company to clear the regulatory hurdles.

During Prime Minister Turnbull's visit in December 2015, Austrade signed an MOU with Japan's Forum for Innovative Regenerative Medicine (which has over 200 corporate and research institution members) to foster collaboration and the development of regenerative medicine between Australia and Japan. In September 2016 Austrade organised a Japanese Regenerative Medicine Mission to Australia. This was the first

major initiative under the MOU.

Education is a key aspect of innovation collaboration. Austrade Japan organised for the Vice Chancellors of Australia's Group of Eight Universities to meet with major corporations and also committed to developing with Japan's RU11 group of universities researcher collaborations, Doctoral student exchanges, joint research awards and joint professorial appointments. The number of collaborative publications by Australian and Japanese researchers has more than doubled over the last decade.

An example of corporate and academic R&D Collaboration is Sapporo Breweries working closely with the University of Adelaide under a collaborative barley research and breeding program to develop new barley varieties such as Southern Star.

These are just the tip of the iceberg of collaboration in numerous fields: regenerative medicine, medical devices, aquaculture, agritech and food tech, cybertech, fintech, satellite technology, carbon fibre and 3D printing. In WA in particular, resources and energy-related technology critical.

JETRO works closely with Austrade to increase the number of Australian ventures considering Japan as a location to commercialise their technology by introducing Australian innovation into the Japanese commercialisation pipeline. ●

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Japanese Food is Taking Flight: Alpha Flight Services' New Route



Minako Kawasaki
Business Development
Director

Alpha Flight Services Pty Ltd, head office in the Gold Coast, is an Australian based in-flight catering provider, with a number of food creation facilities across Australia, including two in-flight catering Units located at Sydney Airport. In recent years, the number of Australian tourists travelling to Japan has been increasing, and as a result Japanese food is attracting increasing attention in the airline industry of Australia.

According to data from The Australian Bureau of Statistics (ABS), during 2015-16 the number of short term departures to Japan numbered 340,000. This is an increase of 246.5% compared to the period 10 years ago from 2005-06. For tourists travelling from Australia heading overseas, sightseeing is their greatest travel purpose, at 59.4%. Generally speaking, Japan is well known in Australia as a great ski destination, but in recent years is becoming more popular in overall general tourism.

In 2015, Qantas started a new flight route connecting Brisbane airport to Narita Airport, Tokyo, and All Nippon Airways (ANA) commenced their new flight route Sydney airport to

Haneda Airport, Tokyo. In addition, in December 2016 Qantas announced the launch of a Melbourne to Narita service. As the number of tourists and connecting flight routes to Japan are increasing, companies like Alpha Flight Services, who provide in-flight meals to ANA in Australia, are seizing this business opportunity.

Alpha Flight Services is a part of the Emirates Group, with over 1,800 employees across Australia. In addition to manufacturing in-flight meals for airlines, they also supply beverages, newspapers and other in-flight services.

Alpha is affiliated with over 40 airlines and occupies a 70% market share on international flight services from Australia, with over 350 chefs preparing over 22 million meals each year. They have 11 in-flight catering units across Australia, with separate kitchen facilities for halal and non-halal foods. In addition, Alpha has almost finished construction of their brand new Melbourne catering unit, which will become the largest airline catering unit in Australia.

For food production facilities, maintaining food safety is crucial. By following the standards of the Hazard analysis and critical control points (HACCP) system, hygiene and temperature control is thoroughly monitored during food preparation, transportation, and storage stages. At Alpha, used dishes are cleaned thoroughly, and in-flight meals are prepared strictly. In one

day, 60,000 meals are prepared by hand, one by one in the Sydney North Unit.

In-flight catering companies also follow the policies and standards of the International Air Transport Association (IATA). As such, special in-flight meals are prepared for religious, ethnic, health, and other categories. This includes child meals for children, vegetarian meals that contain no animal products, cholesterol and calorie restricted meals. In total there are six types of vegetarian meals, including vegan meals, which contain no egg, dairy, and other animal derived foodstuffs, and religious meals such as Hindu style vegetarian meals, which restrict some but not all meat or dairy products.

Different in-flight services companies provide different options, but for travellers, usually if you make a request beforehand you can receive a special in-flight meal for no additional charges. Alpha accepts special meal requests from airline companies 72 hours prior to flight departure, and can prepare meals until 12 hours before flight time. They record the number special in-flight meals required by airlines every day, and depending on the aircraft, more than 80% of the in-flight meals for a particular route may be special meals.

Alpha Flight Services Pty Ltd has three exclu-

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JETRO Sydney Welcomes Its New Business Development Director

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sive Japanese chefs to prepare in-flight meals for ANA. After speaking with Mr. Prakash Chand, Corporate Chef Culinary Training & Development, he stated how through the partnership with ANA, Alpha chose to employ new chefs with Japanese food experience, to provide fully fledged Japanese culinary experiences for travellers. However, Alpha is not only looking at Japanese cuisine, but looking to provide more authentic meals and improve Alpha chefs' skills for a variety of world cuisines.

Prakash with Alpha Flight Services Chefs recently attended JETRO Sydney's Japanese Food & Ingredients Masterclass, an event to provide chefs with ideas, tips and methods for effectively blending traditional Japanese ingredients in Western Cuisine. As the number of Australian tourists travelling to Japan continues to increase, we are sure to see increasing interest and development of Japanese cuisine for Australian palates. ●

Last month JETRO Sydney welcomed the newest member of its team in the form of Business Development Director Ms. Rika Ando, who is replacing outgoing Ms. Minako Kawasaki.

JETRO wishes Ms. Kawasaki the best for her future back in Japan and thanks her for her contribution to the team at JETRO Sydney during her time with us. During Ms. Kawasaki's stay in Sydney, of almost 4 years, she worked tirelessly to improve trade relations between Japan and Australia, and assisted numerous Australia companies in establishing their own Japanese subsidiaries. Upon returning to Japan, Ms. Kawasaki will take up a new role in JETRO Tokyo Headquarters' Trade Fair Department.

Whilst we regret the loss of all staff once they have moved on from our organisation's Sydney office, we are simultaneously grateful to have been sent such a highly qualified and accomplished replacement as Ms. Ando.

Originally from Tokyo, Minato district, Ms. Ando has accumulated a wealth of international

experience in her personal and professional career.

After her early childhood, Ms. Ando moved to America where she attended high school in New Hampshire, and then moving on to attend Union College in upstate New York. After graduating from university she moved to South Korea for Graduate school.

Ms. Ando has over 10 years work experience with JETRO. During that time she has worked for a number of departments, including the Trade Fair Department for international trade fairs and exhibitions, Planning Department, focusing on JETRO activities in North America and Oceania, Research Department, focusing on renewable energy in North America, and most recently the IP and Innovation Department, dealing with standards and regulations.

This is Ms. Ando's first post to Australia, and JETRO Sydney hopes you enjoy working with her as much as we do in this exciting new phase of the relationship between Japan & Australia. ●

WANT TO DO BUSINESS IN JAPAN? CONTACT JETRO SYDNEY:

☎ 02 9002 6200



L15, Governor Macquarie Tower
1 Farrer Place Sydney 2000



syd-bd@jetro.go.jp

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SUCCESS CASE:



Drake Business Logistics Pty Ltd (DBL) is a Sydney based specialist provider in the business process outsourcing market, offering comprehensive Document and Office Management Services covering the entire input, output and archiving value chain, including physical and digital mailrooms and corporate office services.

Boasting a wide client portfolio, serving numerous local and global companies across various industries, DBL focuses on providing high quality services for both back and front office functions. The aim; combine both people and technology to create innovative solutions. Such services include Internal live tracking system Track and Trace – iTrak, which delivers complete accountability along the internal logistics chain, courier management system uBook, for staff to order and track couriers directly from their desktop, and Records Management system uFile, a detailed record management information tool, for efficient storage and archiving.

DBL was formed in 2012 as a subsidiary of Drake Australia Pty Ltd, and is the official supplier of Swiss Post Solutions (SPS) services in Australia and New Zealand. However that was just the beginning. To provide comprehensive

solutions to the Asian market, Drake Business Services Asia (DBSA) was formed. With locations across Asia, including Taiwan, and the Philippines, DBSA looked to Japan as their next major business destination.

Mr. Grant Mackenzie, Director & Chief Executive of DBSA, spoke with JETRO on why he considered Japan an exciting business opportunity. He stated that SPS requested that DBSA



[merging] traditional office management with modern technology was a strong business opportunity in Japan."

set up in Japan, as they had clients asking when they would begin operations there, and that the market had great potential for them, but would require a comprehensive research and entry plan. Grant said how Japan's situation was peculiar for them, technologically advanced, but with strong bureaucratic traditions. "The solutions provided by DBSA to merge traditional office management with modern technology was a strong business opportunity in Japan" Grant stated. Other factors that were of interest to DBSA in Japan's market included, a stable and positive economy, focus on low risk and trust

built relationships, market size, and a convenient and easy to navigate transportation network.

In June 2015, DBL contacted JETRO Sydney to assist them in their expansion to Japan. JETRO, in conjunction with DBL's Japan agent, assisted in the research and business plan to enter Japan. In particular, Grant stated how helpful JETRO was in providing a good understanding of the legal requirements and paperwork involved in setting up a subsidiary in Japan. In addition, JETRO was able to assist DBL in finding translation and accounting services. Once initial processes were completed, DBL made use of JETRO's Invest Japan Business Support Center (IBSC). This provided them with 50 days of free temporary office space, a crucial support in the beginning of overseas operations. In March 2016, Drake Business Services Japan K.K. began operations in Japan.

In less than a year since operations began, DBS Japan has hit the ground running, hiring 20 staff, with a goal of 50 to 100 staff in the next 12 months. Business is going well, and now DBS Japan is working with a number of clients of foreign companies based in Japan to provide innovative solutions. After building up solid business experience in Japan servicing foreign companies, DBS Japan plans to branch out and expand services to local Japanese companies. ●

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Editor's Corner: Life Science in Japan - Bolstering Innovation and Replenishing R&D



Adam Sims
Editor

Japan boasts the world's number two market, next to the US, for global pharmaceutical products and medical equipment. At a market share of roughly 10%, a number of major foreign companies have entered the market and operating in various fields.

Faced with a declining birth rate, and an aging population, the Japanese government has taken steps to vitalize the medical/healthcare markets and make them attractive to enter through various reforms. This can be broken down in to two main areas; Replenishing R&D pipelines, and bolstering innovation.

This includes promotion of commercialization of regenerative medicine, elimination of

the problems of Drug Lag and Device Lag which indicated delay in the approval of drugs and medical devices, and early commercialization of innovative medical products and equipment.

To give an example, there have been various new efforts undertaken to assist pharmaceutical manufactures in improving the environment for developing new drugs. One of which is promoting the development of unapproved drugs to fulfil unmet medical needs. There are many know diseases where current drug treatment is unsatisfactory, such as Alzheimer's disease, multiple sclerosis, cancer, and so on. The government launched subsidy programs to promote development of unapproved drugs through the Pharmaceutical Development Support Center (PDSC). About 20 foreign companies, including Schering-Plough, Merck, Mylan, and Alcon have benefited from this system, and many new drugs have started to be developed and approved.

A number of prefectures in Japan are looking to attract foreign investment in the life science industry. Recently, in October this year, the Osaka prefectural government travelled to Melbourne to promote its' local life science industry. There are 727 life science companies with head offices in Osaka prefecture (as of Jan, 2013), and many foreign companies, from big pharma, to start-ups, are choosing to set up business there. Examples include Bayer Yakuin, AstraZeneca KK, and Eli Lilly.

The Japanese government has targeted the Life Science Industry as a key attractive sector for FDI into Japan. Under cabinet approved "Healthcare and Medical Strategy", the goals heading into the future include seamlessly connect R&D and commercialization stages, promote development of new healthcare services, and realize efficient and high-quality medical services by utilising new ICT.●



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