

JETRO Chicago Midwest NEWSLETTER

Japan External Trade Organization

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

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JETRO Returns to CES in January; Housewares Show in March

JETRO Chicago will be coordinating booth space for eight Japanese companies to exhibit within Eureka Park at the **2018 International Consumer Electronics Show (CES)**. CES 2018 will be held in Las Vegas, Nevada from January 9-12. Eureka Park will be held on Level 1 of the Sands Expo and Convention Center, and will provide startups with a unique opportunity to showcase their ingenuity. The Japanese startup companies coordinated by JETRO will be exhibiting in booths 52921-52928.

For the seventh time JETRO will organize the Japan Pavilion at the **International Home and Housewares Show (IH+HS)**, at Chicago's McCormick Place from March 10-13, 2018. There will be 12 companies exhibiting in two pavilions, one in the North Hall (Booth #7944) and one in the South Hall (Booth #870). Five of the 12 companies will be exhibiting at IH+HS for the first time. All of the exhibitors will be showcasing the highest quality of "Made in Japan" home goods, which will include traditional Japanese cutlery, chopsticks, cooking pots, wooden cutting boards, tea tumblers, 3-D frames, eco-friendly tote bags, bathroom accessories, and cleaning items.

Nebraska's Special Relationship with Japan

Nebraska and Japan have shared a close relationship for over 50 years, and it's not hard to see why. Our shared cultural values of family, hard work, and education make us natural partners. Japan is not only Nebraska's largest direct foreign investor, but also our largest export market outside of North America.

In September, I led a 43-person delegation on my second trade mission to Japan in three years. Missions like these have given Nebraskans the opportunity to develop trade relationships, create educational and business partnerships, and attract new international investment to Nebraska.

These efforts have been beneficial for both Nebraska and Japan. Companies like Tenaska, a power company here in Nebraska, have been able to partner with Japanese firms



Guest View

Pete Ricketts
Governor,
State of Nebraska

such as Mitsubishi and J-POWER, supporting jobs for nearly 300 Nebraskans. Kawasaki is manufacturing rail cars and ATVs in Lincoln, Nebraska. And Kewpie, the famous producer of Japanese mayonnaise, has operations at three locations in Nebraska. These are just some of the numerous companies that tie Nebraska and Japan together.

During our trade mission to Japan, we had three big opportunities to highlight Nebraska as a great place to do business for Japanese

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Midwest and Japanese Governors Highlight Conference in Tokyo



From the Chief Executive Director

Ralph Inforzato
Chief Executive Director,
JETRO Chicago

There is little doubt in my mind that the five Midwest governors and the three Japanese governors who participated in the 49th Annual Joint Meeting of the Japan-Midwest U.S. Association in Tokyo from Sunday, September 10, through Tuesday, September 12, were the key highlights of the entire experience. They were all so well prepared and on point, speaking in depth about their own perspectives of their respective states and prefectures. The

Midwest governors each added their own insights when explaining how they see their state's relationship with Japan and how they see their state and the Midwest in the context of the overall U.S.-Japan relationship. All of the Midwest governors, Bruce Rauner (IL), Eric Holcomb (IN), Rick Snyder (MI), Pete Ricketts (NE) and Scott Walker (WI) were approachable and made themselves available to the Joint Meeting's attendees.

Japan Conference Chairman Yuzaburo Mogi, U.S. Conference Chairman Governor James Thompson and U.S. Honorary Conference Chairman W. Gordon Dobie have done tremendous work in making the Joint Conference an intense learning experience, preparing all of us and importantly our Midwest governors for trade and investment issues for Asia and Japan.

As you are all aware, Midwest governors have become U.S. national leaders, especially in the

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JETRO Chicago's Ralph Inforzato visited Cleveland, OH on October 5, and met with Mindy McLaughlin, Director, International Business Development of Team Northeast Ohio (Team NEO), an economic development organization focused on creating jobs for Northeast Ohio's residents.



Ken Kasahara, Director, Research & Promotion/Agriculture at JETRO Chicago, spoke on U.S. Food Safety Modernization Act rules to Japanese food-related companies August 21 & 22 in Tokyo. Two presentations were aimed separately at Japanese food producers and Japanese importers in the U.S. Together the seminars and their webinars attracted 400 attendees.



On September 29, JETRO Chicago met with members of the Northeast Indiana Regional Partnership in Fort Wayne, IN. From left, Scott Naltner, Director of Business Development, Greater Fort Wayne Inc.; JETRO Chicago's Ralph Inforzato; Sarah Rodriguez, Director of Business Development, Northeast Indiana Regional Partnership; and John Sampson, President & CEO of the Northeast Indiana Regional Partnership.



On his recent visit to Tokyo, JETRO Chicago's Chief Executive Director Ralph Inforzato had a chance to catch up with Takashi Tsuchiya, former JETRO Chicago Chief Executive Director.

On October 25, JETRO Chicago's Tamara Rasbury (center) met with Mindy Kenworthy, President, East Central Indiana Regional Economic Partnership, and Mikayla Marazzi, Grant County Growth Council.



In late November, JETRO Chicago's Kevin Kalb and Tsubasa Hashimoto, along with Naoki Ito, Consul-General of Japan in Chicago, visited Southern Illinois. At left, Illinois Governor Bruce Rauner greets Mr. Hashimoto and Consul-General Ito. Below left, Kevin Kalb and Tsubasa Hashimoto visit the Continental Tire Mt. Vernon Plant and meet with Vice President of Manufacturing, Benny Harmse.



Ohio Asian American Economic Summit was held November 14 in Cleveland, OH, and JETRO Chicago was represented. Above left, Su He, Vice President, Cleveland Chinese Entrepreneur Association, Ralph Inforzato, JETRO Chicago, and Margaret M. Fitzgerald, Lecturer, Japanese Modern Languages & Literature, Case Western Reserve University, College of Arts and Sciences. Above right, Ralph Inforzato with Radhika Reddy, Partner, Ariel International Center and India Ohio Chamber of Commerce Economic Development Committee Chair.



As part of a Keidanren (Japan Business Federation) visit to Columbus, Ohio, Governor John Kasich of Ohio meets with Sadayuki Sakakibara, Keidanren Chairman on October 30.



On November 10, JETRO Chicago visited Rochelle, IL for meetings and a tour. (Above left) Jeffrey Figenschub, City Manager, and Mayor Chet Olson, City of Rochelle, with Ralph Inforzato, JETRO Chicago.



(Above right) Tommy Choi, State of Illinois, Takayuki Watanabe, JETRO Chicago and Gary Lazarski, CEO of MightyVine Tomatoes, Rochelle, IL.



Mitsubishi Wada, Consul General of Japan in Detroit, held a networking dinner at his residence on November 30 with guests from KOTRA (Korean Trade-Investment Promotion Agency), JETRO, along with Korean and Japanese business executives.



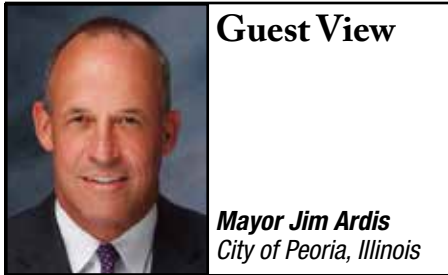
Friends from Indiana stopped by the JETRO Chicago office on November 2. From left, Steve Witte, President, Terre Haute Economic Development Corporation, Ralph Inforzato, JETRO, Larry Ingraham, President, Ingraham and Associates Inc., and Kelly Highland, JETRO Chicago.

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Mayor Sees Enormous Potential for Partnerships in Peoria, Illinois



Guest View

Mayor Jim Ardis
City of Peoria, Illinois

On September 18, 2017 it was my distinct privilege to host Consul-General Naoki Ito and representatives of JETRO to Peoria, Illinois. I was joined by over 50 key business, governmental, educational and health-care leaders from

throughout Central Illinois. Peoria is the hub of our metropolitan area of over 380,000, the largest metro outside of the city of Chicago. For those unfamiliar with this part of Illinois, ours is a richly diverse economic and cultural area highlighted by agriculture, manufacturing, education, healthcare, innovative small businesses, and extensive research and development totaling several billion dollars per year. We have a long-term record of solid growth and development.

With this as our foundation for hosting Mr. Ito, we spent an intensive full day exploring the many existing areas of potential opportunities for mutually beneficial growth. Peoria is no stranger to the economic value of Japanese investment in our community, and to Peoria based businesses' successful operations in Japan. For example, heavy machinery manufacturer Komatsu has had a major presence in Peoria for almost three decades. With nearly 700 employees and growing, and scores of local suppliers, Komatsu helps anchor Peoria's reputation as a manufacturing powerhouse. And FUSO, the innovative chemical company located here, builds on our reputation for research and development of useful commercial and industrial chemical and related products. FUSO provides opportunities for almost 150 employees from our area.



Mayor Ardis and Consul-General Ito tour the Komatsu plant in Peoria.

Consul-General Ito's visit permitted us to highlight further potential for

partnerships in areas such as health care, innovative R & D in technology and agriculture-related products. For example, the University of Illinois College of Medicine Peoria and St. Francis Medical Center have a state-of-the-art innovative simulation training facility for medical professionals known as Jump Simulation (www.jumpsimulation.org). The visit and tour of Jump Simulation opened our minds and intention to explore further partnerships with Japanese health care innovation and research enterprises.

And in one of the most exciting areas of self-driving vehicles and related cutting edge technology, Consul-General Ito was presented an overview highlighting a Peoria-based company we're very proud of, AutonomouStuff (www.AutonomouStuff.com). AutonomouStuff is a pioneer and world leader in supplying components, engineering, consulting, training and software that enables autonomy. AutonomouStuff already has an office presence in Japan and is poised for significant growth in the near future.

During our day-long discussions, we explored more formal initiatives for strengthening our relationship and future economic partnerships. We noted that there are about 60 communities throughout the great Midwest that have "sister city" relationships with Japanese cities. Peoria has four sister cities (Friedrichshafen Germany, Benxi China, Clonmel Ireland and Aytou Lebanon) but none in Japan. Our experience with our current sister cities has generated greater understanding, cultural diversity and appreciation, and opened doors for additional connections economically, educationally and socially. I see massive potential in establishing a sister city in Japan and committed to Consul-General Ito to participate in that discussion with a sense of urgency.

I would like to conclude this article by thanking our new associates at JETRO for allowing me the opportunity and for their participation in the September 18th event in Peoria. I'm also grateful for Consul-General Ito's time, attention, interest and enthusiasm for our community.

From Peoria, Illinois in the USA to the cities of Japan, there is undoubtedly great potential for greater partnerships. For over 30 years we have been nurturing our relationship and now is the perfect time to not only acknowledge that bond but to actively seek additional prospects to expand economically, educationally and socially.

ご多幸を祈る! go takoo o inoru !

JETRO Global Trade and Investment Report 2017

At the end of July, JETRO released its annual Global Trade and Investment Report. The report looks at trends from around the world with a focus on Japan and Asia. Key topics in this report include:

- Global trade declines 3.1%, downturn for two straight years
- Slow trade continues while service trade sees robust growth
- Japan's trade balance marks first surplus in six years
- Japan's outward FDI marks record high
- Inward FDI from Asia to Japan continues to grow
- World trade policies reaching turning point

- Background of inward-looking policies and new momentum toward free trade regime
- Value of multilateral trade rules reappraised in regulations and standards
- Future of e-commerce market
- Japan's current status of accepting and utilizing foreign personnel

A text summary of the report is available at <https://www.jetro.go.jp/en/news/releases/2017/a62b8a37b416f089.html>. A more detailed look, with charts and graphics can be downloaded at https://www.jetro.go.jp/ext_images/en/news/releases/2017/a62b8a37b416f089/1.pdf

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49th Annual Joint Meeting of the Japan-Midwest U.S. Association

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policy areas of Asia, China and Japan. As Governor of Indiana, Vice President Mike Pence attended the Joint Conferences in Tokyo and Des Moines, Iowa. He saw the value in explaining why he thought Indiana and the Midwest region of the U.S. has such a close bond with Japan. He is also a keen listener, and I remember seeing him in full concentration while listening to Japanese governors and representatives of Japanese companies. It is exactly this Joint Meeting that former Iowa Governor, Ambassador Terry Branstad attended so many times both in Tokyo and the Midwest. With great success, Governor Branstad and Lt. Governor Kim Reynolds hosted the 46th Annual Joint Meeting (2014) in Des Moines. Governor Branstad would always remind me that he has traveled to Asia and to Japan more times than any sitting U.S. governor.

Yuzaburo Mogi, Japan Conference Chairman, Honorary CEO and Chairman of the Board, Kikkoman Corporation, and our five Midwest governors met with Prime Minister Shinzo Abe on September 11, which underlies the important role the Government of Japan has in interacting with our leadership. The Joint Conference has never been more relevant. For more on that meeting, visit http://www.mofa.go.jp/na/na2/us/page4e_000663.html



JETRO Chicago Chief Executive Director Ralph Inforzato, Illinois Governor Bruce Rauner, JETRO Chairman & CEO Hiroyuki Ishige, and former JETRO Chicago Chief Executive Director Ichiro Soné.

During his initial presentation at the Joint Conference, Illinois Governor Bruce Rauner stated that as a young man his father visited Japan countless times during his 40-plus years as an executive with Motorola. His father then would recount his visits with his family and explain the creativeness and unique capabilities of the Japanese people. It was at this moment, early in his formative learning years, that Bruce Rauner

realized from his father, "That Japan was special because of its people." Governor Rauner made additional strong insights at the conference by saying that, "Trade and investment always flows two ways," and that, "As much as Illinois welcomes and encourages Japanese companies to invest in our state, we also encourage Illinois companies to invest in the Japanese market – it's a good place to do business." This is a very sound viewpoint and shows that the mutual promotion of two-way investment and trade between Illinois and Japan can create a win-win economic dynamic. As a matter of fact, according to Governor Rauner, there are 630 Japanese companies in Illinois employing more than 50,000 people.

Indiana's Eric Holcomb was also making his first trip to Japan as governor. I was impressed when he commented, "I realize, as do the people of Indiana,



JETRO Chicago's Ralph Inforzato, JETRO Chairman Ishige, and Indiana Governor Eric Holcomb.

that Japanese companies are part of the Hoosier fabric." This is a precious insight because it recognizes how highly the State of Indiana values Japanese companies and the job creating and sustaining power they bring to the state's economy. Actually, there are an amazing 280 Japanese companies in Indiana that employ approximately 58,000 Hoosiers, which makes Indiana the largest state in the United States, on a per capita basis, for Japanese investment.

Governor Eric Holcomb's initial trip to Japan certainly builds on the foundation of friendship that recent past Indiana governors, such as Mitch Daniels and U.S. Vice President Mike Pence, have made. The Indiana delegation to the Joint Conference included more than 40 Hoosiers. As a matter of fact, while in Tokyo, Governor Holcomb signed a Memorandum of Cooperation of Economic and Trade Relations (an MOC) between Indiana and The Government of Japan. Only three other U.S. states have this type of MOC with the Government of Japan.



JETRO's Ichiro Soné, Michigan Governor Rick Snyder, JETRO Chairman Hiroyuki Ishige, and JETRO Chicago's Ralph Inforzato.

Michigan's Governor Rick Snyder was attending his fourth Joint Meeting in Tokyo and seventh meeting overall. He emphasized that for Japanese companies, "You can't make a bad decision by investing in any of the Midwest states." He provided the perspective of the automotive industry moving toward developing autonomous mobility and

assisted driving technologies, stating that Michigan is at the very heart of this trend because of its strong base for automotive R&D and design. Governor Snyder said, "Connected and automated vehicle technologies, including infrastructure, will revolutionize the transportation of people and goods in the next five to ten years. When you come to Michigan, you are in the center of the vehicle transportation revolution."

Governor Snyder spoke on a more personal level about Michigan's Sister State relationship with Shiga Prefecture and particularly about Governor Taizo Mikazuki. He said that, "You have to clearly see the people side of things and then you can build trust. There is trust only between people, not companies." He indicated that it's, "The person-to-person relationship that matters." The governor traveled to Shiga Prefecture to sustain a trusting relationship with his sister state. He added, "We have a deeper bond with Shiga and we are better when we are together – it's the best way to overcome challenges." Governor Snyder said that 2018 will be the 50th anniversary of the Michigan-Shiga Sister City relationship and he decided to visit Shiga one year early (2017) to start the celebration.

Nebraska Governor Pete Ricketts was making his second visit to Tokyo's Joint Conference. He said that there are deep cultural values, such as the value of family, the importance of education, and work ethic that are very similar between Japan, the State of Nebraska and the Midwest.

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49th Annual Joint Meeting of the Japan-Midwest U.S. Association

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JETRO Chicago's Tsubasa Hashimoto with Nebraska Governor Pete Ricketts and JETRO's Ichiro Soné.

"When we work together we can make things happen."

Governor Ricketts said that the state, "Has to move at the speed of business and be more customer friendly." The governor said that the state has a training center for continuous process improvement for all state agencies to use that will allow employees the opportunity to achieve different levels of certification in Lean Six

Sigma. He indicated that having state employees trained in process improvement will result in more effectiveness in becoming a true customer focused government. A member of the governor's delegation also said that the Center is opening a Kaizen room (at the State Capitol) for training and improvement program meetings. I will surely visit.

Approximately 34 Japanese companies have invested \$4.4 billion in the state, employing 9,400 Cornhuskers. The Nebraska trade delegation was well over thirty people which made it one of the largest to ever attend the Joint Conference. Governor Pete Ricketts will be the Midwest's host governor for the 50th Anniversary of the Joint Conference which will take place in Omaha on September 9-11, 2018.

Wisconsin Governor Scott Walker also made a strong point in his emphasis that free trade flows two-ways and that each of the five Midwest governors attending the Joint Conference all believe in this concept. He said that it is important for governors to be globally active and informed, and to see for themselves what is going on globally. After the Joint Meeting in Tokyo, Governor Walker visited South Korea.



JETRO Chairman Hiroyuki Ishige chats with Wisconsin Governor Scott Walker.

He said, "Japan has been a reliable business partner for Wisconsin throughout the years. Japanese companies recognize the value in Wisconsin products and strengthening their confidence in Wisconsin businesses is a key step in moving our economy forward. It is important we invest in this partnership so both economies continue to grow and expand around the world." Governor Walker showed that Wisconsin has a climate that will support businesses, because: 1] it is a Right to Work state; 2] it has a near zero corporate income tax for manufacturing and agriculture; 3] it has the #1 pension liability fund; and 4] it is committed to top tax reform.

Governor Walker also added good insight when he said that it is important for Wisconsin or any state to show their velocity of global trade. In fact, he said that companies seeking expansion want to see the state's global status in trade. For example, they want to see the amount and volume of exports and imports for Wisconsin over a period of years.

He clearly showed that the state's top export markets after Canada and Mexico were China, Japan and the UK. The state's primary exports to Japan are advanced manufacturing, scientific, and medical technologies. Wisconsin had a solid trade surplus with Japan for 2016.

There are 33 Japanese companies in Wisconsin employing 4,000. There are also 27 Wisconsin companies with operations in Japan. Point of interest: Governor Walker indicated the first Japanese-owned production facility in the United States is Kikkoman Foods, which established its headquarters in Walworth, Wisconsin in 1972.

How very valuable this Joint Conference is in cultivating wide and deep knowledge about Japan and Asia. And how important it has become for us in making new relationships while maintaining existing friendships in Japan. The experience of the Joint Meeting provides us with a unique opportunity for thinking more critically about the economic and cultural linkages between the Midwest and Japan.

During the Keynote address of the Conference's first day, to my great surprise, Yoji Muto, Japan's State Minister for Economy, Trade and Industry announced my promotion as the first non-Japanese to have the position of Chief Executive Director of a JETRO office. It was a special moment for me. After Minister Muto's Keynote, the first person to quickly turn to me and shake my hand was Japan Conference Chairman Yuzaburo Mogi, quickly followed by Gordon Dobie, our Honorary U.S. Conference Chairman and fellow Chicagoan – I was so honored.

JETRO Chicago's Tsubasa Hashimoto with Theresa Kulczak, Executive Director of the Japan-America Society of Indiana, and Ralph Inforzato.



On his visit to Japan for the conference, Ralph Inforzato had a chance to catch up with Tsuburo Shindo, Executive Vice President of JETRO, and former Chief Executive Director of JETRO Chicago.

Thought leaders from the 49th Annual Joint Conference, Tokyo, September 10-12, 2017, include Governors from the U.S. and Japan, and Conference Chairmen.



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Nebraska State Senator Jim Smith looks forward to 2018 Omaha Meeting

When Governor Pete Ricketts invited me to join him at the 49th Annual Midwest U.S. – Japan Association Conference, I didn't hesitate to accept. Being married to a Japanese-American, I have visited Japan and have gained a great respect for its vibrant culture. However, the conference allowed me to see the country from a difference perspective – that of a legislator and the chairman of the Nebraska Legislature's Revenue Committee.

While legislative participation in the conference is rare, I found the annual meeting to be extremely useful in providing a bird's eye view of policies that encourage a healthy relationship between Midwestern states and Japan. Our trade relationship is a huge driver for a strong economy. With respect to Nebraska, we exported nearly \$700 million worth of goods to Japan in 2016, making the country one of our top three export markets.

The Midwest's strong work ethic, central location, low cost of energy and transportation infrastructure make it an attractive business partner as well. Japan is my state's greatest direct foreign investor, resulting in thousands of jobs for Nebraskans and growth for Nebraska-based

businesses. In the days following the conference, the Nebraska delegation was also afforded the opportunity to meet with several businesses with significant investment in Nebraska, including Kawasaki, Yasufuku and Shizuki.

Omaha, the sister city of Shizuoka, will be the site of next year's 50th Annual Midwest U.S. – Japan Association Conference. Based on my experience with the Midwest U.S. – Japan Association and as a Midwest policy maker, I highly encourage my fellow Midwest legislators to consider attending the conference in Omaha next year. I am sure the experience will be rewarding and will undoubtedly foster business and trade policies that nurture a strong and lasting partnership between the Midwest U.S. and Japan.



State Senator Jim Smith, Nebraska Legislature (District 14), with Courtney Dentlinger, Director, Nebraska Department of Economic Development and JETRO Chairman Hiroyuki Ishige.

Governor Ricketts ... from page 1

companies. First, our delegation attended the 49th Annual Midwest U.S. – Japan Association Conference in Tokyo. At the conference, we met with Japanese prefectural governors and business executives. The second came with another event in Tokyo hosted by JETRO for over one hundred Japanese businesses and organizations. Attendees received in-depth presentations on Nebraska's major industries, including manufacturing, agriculture, and tourism, followed by a networking reception. This event was a great success, and we deeply appreciate JETRO's support in growing the Nebraska-Japan relationship. The third was a luncheon hosted by Omaha's sister city Shizuoka. During this luncheon, the trade delegation was able to create new and build upon existing relationships with local government and business representatives. These opportunities to strengthen our connections and ties will help to ensure the Nebraska-Japan relationship grows in the coming years.

Japan not only invests directly in Nebraskan businesses, it also imports many of our world-class products. Currently, Japan is our largest export

market for beef, pork, wheat, and eggs. In total, we export nearly \$800 million worth of goods to Japan each year, and this demand is growing. Japanese people recognize the quality of Nebraska goods and services. That quality is why Sagami recently signed a letter of intent with Smithfield to purchase Nebraska pork for their 170+ soba noodle restaurants.

These are just some of the reasons why Nebraska and Japan share a special relationship. Next year, Nebraska will host the 50th Annual U.S. Midwest-Japan Association Conference in Omaha. This will be a great opportunity for Japanese business executives and government officials to experience our great state which has earned a reputation for being a friendly, safe, and great place to do business. We invite you to join us at the conference next year. To follow along for updates on the conference, I encourage you to visit my website www.Governor.Nebraska.gov for information in the coming months.



Governor Ricketts addresses the Midwest U.S. – Japan Conference in Tokyo.



Governor Ricketts tours the Kawasaki Museum.



JETRO President Yasushi Akaboshi meets with Nebraska Governor Pete Ricketts at JETRO Tokyo on September 13.

The Growth of Iowa-based Genesis Systems in Japan

Over the past decade, JETRO Chicago has offered support to Iowa-based Genesis Systems Group for their initial investment and business expansion in Japan. With its relocation to Kasugai, Aichi in 2016, Genesis expanded again in Japan to a factory and office with integrated facilities for assembling manufacturing through finishing. Much of their success in Japan has been due to their "good understanding of relevant industries, welding techniques and the needs of clients, based on actual experience." With their emphasis on local know-how, Genesis is "a foreign-owned company but familiar to Japanese clients. That provides a sense of security and leads to ongoing business." Read more about the success story of Genesis Japan at https://www.jetro.go.jp/en/invest/success_stories/genesis.html. Here are some excerpts from the online success story:

Genesis Systems develops and manufactures processing and inspection systems which are bringing about innovation in welding and inspection processes. The company has enjoyed remarkable success through earning the trust of Japanese-affiliated automobile part manufacturers in the U.S. Seeking to further strengthen relationships with its clients' headquarters in Japan and expand business activities in Japan and other countries, Genesis Systems established a Japanese subsidiary in 2010.

Genesis Systems Group, LLC was established in 1983. The company is the biggest robotic welding system manufacturer in North America. The strength of Genesis is in development and manufacture of laser welding systems, which will play important roles in next-generation manufacturing. To date, the company delivered more than 4,500 robotic systems to factories for automobiles, aircrafts and railroad vehicles.

In addition to its US operations, Genesis has business bases in Japan and Mexico. Overall group sales total some 10 billion yen (91 million USD) and the number of employees is 330. The company has business partners for systems manufacturing in the Czech Republic, Brazil and India, and its main clients include such world-renowned companies as Bombardier, John Deere and Caterpillar.

Background of Japanese operation

Since its foundation, Genesis has placed great importance on the concept of *genchi genbutsu* (actual place, actual thing) and it understands the principle of *monozukuri* (craftsmanship) that is valued by Japanese companies. This has enabled the company to steadily develop a customer base of Japanese-affiliated enterprises in the U.S. In 2010, 20-30% of total group sales were attributable to Japanese-affiliated companies, leading Genesis to establish a representative office in Japan. In 2013, one influential client asked Genesis to start full-scale operation in Japan because the client wanted to install laser equipment in its factories. In

response to this request, the office was relocated in Aichi prefecture, where there is space for testing. At the same time, Genesis Systems Group Japan KK ("Genesis Japan") was established. Genesis Japan has been successfully boosting its performance since its establishment and, in 2016, it moved to a bigger factory with manufacturing facilities, in Aichi.

Genesis Japan, which has a detailed understanding of the needs of its clients, designs, produces and exports from Japan. One-third of total production volume is exported to its home country, the U.S., and Canada. In addition, in order to provide appropriate after-sales services for exports from Japan, U.S.-based engineers visit Genesis Japan for customer service training.

The capital and technique are from the U.S. but it is Japanese personnel with locally-oriented know-how which are engaged. Japanese clients evaluate it as follows: Genesis is "a foreign-owned company but familiar to Japanese clients. That provides a sense of security and leads to ongoing business."

Impossible to start a business in Japan without support from JETRO

It was in 2010 that Genesis began giving serious consideration to establishing a Japanese subsidiary. That was when Genesis participated in an invitation program for foreign companies conducted by JETRO. After meeting a highly promising potential partner in Nagoya, through arrangement by JETRO, Genesis was convinced that its products could be marketable in Japan.

Genesis also utilized the Invest Japan Business Support Center (IBSC), an incubation facility in Nagoya, where it received advice from experts on procedures for establishing a Japanese subsidiary. JETRO also introduced a property when Genesis Japan wanted to move to a bigger factory, helped with staff recruitment, mediated between Genesis and municipalities, held business-matching events, and cooperated in public relations activities.



At Fabtech 2017, McCormick Place, Chicago, IL: From left: Kevin Kalb, JETRO Chicago; and Genesis Systems team, including: Mizuki McAdam, Tsukasa Ogibara, Pat Pollock, Makoto Matsumoto; and Takahiro Takahashi, JETRO Chicago.

JETRO Chicago welcomes Tsubasa Hashimoto

JETRO Chicago is pleased to welcome Tsubasa Hashimoto as the new Director of Public Affairs. Mr. Hashimoto is a native of Tochigi-prefecture. He first came to the US as an exchange student for a homestay in Lancaster, Pennsylvania in 2002. He graduated from Aoyama Gakuin University with a degree in International Politics. Mr. Hashimoto joined JETRO in 2009 and was assigned to the Japan Lifestyle and Culture-related Industry Department and Service Industry Department, where he assisted Japanese companies in expanding their business globally. From 2015, he served as a recruiter for JETRO Tokyo's HR section. Contact Mr. Hashimoto at Tsubasa_Hashimoto@jetro.go.jp.



Contact JETRO Chicago • www.jetro.go.jp/usa/



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

For general information, call the number above.

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

Akira Kawachi, Director of Business Development, akira_kawachi@jetro.go.jp

Kevin Kalb, Robotics, automotive and manufacturing inquiries, kevin_kalb@jetro.go.jp

Cathleen Moore, Food, tea and sake exports from Japan inquiries, cathleen_moore@jetro.go.jp

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JETRO Chicago Focuses in on Sake at two September Events

In September, JETRO Chicago continued its efforts to bring sake to Midwesterners' attention by holding events for both members of the public and food & beverage industry professionals. The first was over the weekend of September 23 and 24, as a participant in the tenth annual Chicago Gourmet, the renowned food festival in Millennium Park produced by the Illinois Restaurant Association and Bon Appetit magazine. The JETRO booth offered the thousands of walk-around attendees five very different sakes from Japan to taste. Next, on September 26 at JETRO's business-to-business tasting and educational event, *Unexpected Discovery With Sake*, 22 brewers, importers and distributors brought over 100 Japanese sakes to potential partners and media.

Offering sake in Chicago Gourmet was a first for our office, and our booth in one of the Great Lawn Tasting Tents attracted a nonstop flow of visitors. JETRO simultaneously offered sakes with widely varying flavor profiles, textures and alcohol levels so tasters could clearly experience their differences or try types they never had before. There was a blend of sake and yuzu (Japanese citrus) juice, a daiginjo sake, a sparkling junmai sake, a nigori (cloudy, rough-filtered) junmai sake and a junmai ginjo sake. All the sakes were served chilled and guests were encouraged to taste as many types as they wanted to. Because it is open to the public, Chicago Gourmet presented a valuable opportunity to gauge consumers' impressions, preferences, prior experiences with sake and future interest in it. Over 80% of the more than 250 sake tasters we interviewed wanted to drink sake again at both non-Asian and Japanese restaurants, at bars, at home and at friends' homes. Some fest-goers had never tried sake before, so they greatly enjoyed experiencing different types. Over the weekend, the yuzu and the daiginjo sakes were "liked" the best in our unscientific poll of our booth's visitors.

JETRO's Sake Booth at Chicago Gourmet 2017



JETRO's Sake Event for Food & Beverage Industry

At Unexpected Discovery With Sake, September 26 in Chicago, attendees heard from sake experts and discussed business with 22 sake importers, distributors and breweries (including 9 breweries from Japan).



For our next sake promotion, on September 26, JETRO Chicago held its second B-to-B sake tasting, educational and business-matching event of 2017, *Unexpected Discovery with Sake*. We hosted 22 exhibitors at the School of the Art Institute of Chicago Ballroom; U.S.-based sake importers and distributors, two liquor wholesalers from Japan, and nine sake breweries directly from Japan. Over 100 sakes of every type were offered and included some innovative presentations such as sake blended into sherbet with yuzu or ume flavors, and an unpasteurized draft sake in a keg. More options for portability and portion size were displayed with varying sized cans, lightweight box pouches, and small (300 ml) bottles.

Concurrent with the exhibition, two of the top sake authorities in the U.S., Chris Johnson of The Sake Ninja, and Paul Tanguay of Tippling Bros., co-presented on the impact Japan's varying climates, water and rice have on the final sakes produced. They shared tips for consumers on tasting and serving sake, and demonstrated how surprisingly well sake pairs with cheese through a guided tasting of three sakes with cheeses. The 120 industry attendees especially appreciated the event for improving their sake tasting skills, learning ways to drink sake, and being able to focus in on types.

Actually, sales of sake are growing in the Midwest. Through these activities, either reaching the public directly or increasing what is available in the restaurants and stores they visit, JETRO Chicago is accelerating its sake promotion in this area and all of the U.S.