

# JETRO Chicago Midwest NEWSLETTER

## Japan External Trade Organization

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## Battle Creek, Michigan Participates in the SelectUSA Roadshow



### Guest View

**Robert Corder**  
Vice President,  
Battle Creek  
Unlimited

In March 2017, after 9½ years at JETRO Chicago, I moved to Michigan for a new position with Battle Creek Unlimited (BCU). BCU is the lead economic development organization for the city of Battle Creek. In my new job, I lead BCU's efforts to attract companies to the Battle Creek region.

Battle Creek has long been known as the Cereal City. The Kellogg Company has been headquartered here since 1906 and Post Foods continues to have a large cereal manufacturing plant in Battle Creek as well. But today, the automotive industry is Battle Creek's most important sector and the city's largest employer is Denso, the Japanese Tier-1 auto parts manufacturer. In fact, Battle Creek is now home to 25 international companies, including 18 Japanese manufacturers.

In January, I participated in the SelectUSA seminars in Osaka and Nagoya. Organized by

**See "Guest View: Battle Creek" page 6**

## Michigan and Japan: International Friends and Partners



### Guest View

**Rick Snyder**  
Governor,  
State of Michigan

As Governor of Michigan, I am proud—and grateful—for the strong partnership between Michigan and Japan. The long history of the Michigan-Shiga Sister-State Agreement is an outstanding example of how two states with different histories and cultures can connect deeply and culturally with each other – even

though those states are on opposite ends of the world.

50 years ago, Michigan entered a sister-state partnership with Shiga Prefecture in Japan. This agreement has since spurred a cross-cultural exchange of activities between Michigan and Shiga, including student and teacher exchanges, cultural events, art exhibits and artist exchanges as well as economic development initiatives.

This past fall I had the opportunity to visit Japan and foster the strong economic and cultural exchanges between our two states. The more we share what we can learn from

**See "Governor Snyder," page 6**

## Outreach to the Heartland



### From the Chief Executive Director

**Ralph Inforzato**  
Chief Executive Director,  
JETRO Chicago

At no other time in the recent history of the Japan-Midwest relationship has there been such a high level of interest by the American Heartland in Japan and also a great deal of attention from Japan in our Midwest region. Americans are happy to stop me after presentations to talk through their recent experiences in Japan, or tell me about their interactions with Japanese companies that have invested in their region or city. Even on a personal basis, in early December, I was astounded by meeting Kelly Carlton, mother of high school twin daughters from Princeton, Indiana, who told me how they were profoundly changed upon returning from Japan after their summer home stay in Tahara City, Aichi Prefecture, which is Princeton's sister city. She said, "My daughters came back changed in the sense that they were so much more focused on learning; they are trying to continue their Japanese language studies and want to return to the country. They want to share their experience in the Japanese culture." In this small Town Hall meeting of local citizens and community leaders organized by Princeton Mayor Brad Schmidt, I was impressed by the keen insights and profound experiences that these Hoosiers had gained from Japan. I am a listener – not a talker – and their stories of meeting Japanese are as rich in nuance and detail as they are compelling. I accompanied Japan Consul-General Naoki Ito, who responded in such a heartfelt and eloquent manner at this gathering, as only he can, that we all felt a deep sense of "Kizuna", or a bond among us.

My office is receiving so many requests to visit and interact with the local Midwest communities. Community representatives want to speak about the opportunity to seek new and support

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On January 18 in Indianapolis, the Japan America Society of Indiana celebrated the Japan Culture Center Opening and the 120th Anniversary of The Consulate-General of Japan in Chicago. Above, Consul-General Naoki Ito and JETRO's Ralph Inforzato were among guests at the Kagamiwari Sake ceremony.

Above, from left, Yoshio Shibazaki, Plante Moran, Theresa Kulczak, Executive Director, JASI and Tsubasa Hashimoto, Dir. Public Affairs, JETRO Chicago

JETRO Chicago's Kevin Kalb and Ralph Inforzato spoke to students from the Kellstadt Graduate School of Business at DePaul University in Chicago on February 23. The students will be making an educational trip to Japan in late March to learn more about culture and business in Japan, visiting Tokyo, Kyoto, Osaka, and Hiroshima.



### Rolling Through Indiana

On December 19, JETRO Chicago paid a visit to Washington, Indiana to meet with local officials and business leaders. Pictured at right, Ron Arnold, Executive Director Daviess County, Indiana; Ralph Inforzato, JETRO Chicago; Mayor Joseph Wellman, Washington, Indiana; and Tsubasa Hashimoto, JETRO Chicago.



On December 20, Mayor Joe Yochum of the City of Vincennes, Indiana welcomed JETRO Chicago. At left, Ralph Inforzato is greeted by Mayor Yochum.

JETRO Chicago met with additional civic and business leaders on December 21. Pictured at right, John Mandabach, Business Development Executive, Bowman Family Holdings; Mayor R. C. Klipsch, City of Petersburg Indiana; Ralph Inforzato and Tsubasa Hashimoto, JETRO Chicago; Paul Wheatley, President, The Wheatley Group; and Ashley Polen Willis, Executive Dir., Pike County Economic Development Corp.



## JETRO Holds Its Second Green Tea - Focused Event

On November 16, JETRO Chicago invited both the food and beverage industry and the public to experience the tea that Japan is famous for. JETRO held its last tea-focused event in 2011 and, since then, Americans have increasingly embraced tea-drinking for not only its healthy and refreshing reputation but its wide assortment of flavor profiles. Tea is so widely available in the U.S. these days that JETRO chose to once again offer the chance to learn first-hand what makes Japanese green tea so special.



Oscar Brekell from Japan Tea Export Organization speaking at JETRO Chicago's tea event.

Tea Specialist Mr. Oscar Brekell from Japan Tea Export Organization was the guest speaker for both the industry and public sessions, which gathered over 100 people. Mr. Brekell, a certified Nihoncha (Sencha) Japanese Tea Instructor, is the first non-Japanese person to work at the organization and lectures across the world. He spoke on the tea-growing regions of Japan and how growing, shading methods and harvesting the tea leaves result in very different grades of tea. Japanese green teas are usually described as full sun, shaded or roasted and both water temperature and steeping time for preparing them varies to best retain their different characters, Brekell explained.

The guests sampled several hot brewed teas as well as one he had cold-brewed for a day – a method becoming increasingly popular resulting in a smoother, less astringent drink.

Following the presentation, four tea importers offered guests samples of their products from Japan, including a range of steamed and roasted green teas; an assortment of matcha powders for whisking into traditional hot matcha, culinary-grade for cooking, sweetened for blending with cold or hot milk, and conveniently packaged in portable single servings; ready-to-drink green teas and a rare cultivar-sourced bottled tea. Exhibiting were Itoen, Teagschwendner, Rishi Tea, The Tea House/Kanes and Chocolatines, proving chocolate pairs very well with green tea.



A variety of Japanese teas were offered to both industry and public attendees at JETRO Chicago's tea event.

JETRO continues to bring quality Japanese food and beverage products to the attention of American food professionals in part by holding such events. More recently, JETRO has expanded their audience at times to include the public to hopefully deepen their understanding of and interest in Japan's delicious products.

**Article prepared by Cathleen Moore, JETRO Chicago**

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## JETRO's "Grass-roots Caravan" Welcomed to Jefferson County, IL



### Guest View

**Jonathon Hallberg,**  
Executive Director,  
Jefferson County  
Illinois Development  
Corporation

Jefferson County Development Corporation was delighted to host Japan's team from the Consulate-General Chicago office and JETRO for a visit to Mount Vernon, in Southern Illinois, last November. Consul-General Naoki Ito

calls his initiative to visit communities with a Japanese business presence the "grass-roots caravan." We wanted Jefferson County's visit to express the grass-roots role of small towns in economic development.

Southern Illinois is the best kept secret in economic development. A lower cost of living and property, reduced traffic congestion, and ample access to roads, rail and barge transportation make our communities the ideal place for manufacturing, agriculture and logistics-based commerce. Mount Vernon's employment area provides 172,000 people within a 30-minute drive. Despite manufacturers building in the Deep South, our plant managers and staff share that our workforce productivity is envied by their sister plants in southern states.

Our November 29 visit began with an introduction to leaders at Magnum Steel Works, a fabricating plant specializing in long-wall mining equipment for Komatsu Mining Corp. We met with Komatsu representatives, State Senator Paul Schimpf, State Representative Terri Bryant, Mayor Lewis, County Board Chair Draege and others who spent the day with the team.

Next, we stopped at Continental Tire the Americas' Mount Vernon Plant, with 3,500 employees. It is an outstanding example of German FDI, with multiple expansions valued at more than \$800 million since 2006 and past partnerships with Yokohama Tire. Rend Lake College's apprenticeship program with Continental is now in its 11th year.

Rend Lake College hosted a luncheon and roundtable discussion of workforce and education initiatives. We surprised attendees with an appearance by Governor Bruce Rauner, who articulated the connection between education and economic development. Southern Illinois University's Carbondale Chancellor outlined their relationship with Rend Lake College, their automotive tech center, and plans for the future.

The Governor joined our tour of Marion's AISIN Manufacturing Illinois plant, and also meetings with officials from AISIN Light Metals and AISIN Electric Illinois. These three divisions employ 2,500 people. Of interest was their training "dojo" and their participation in the "Apprenticeship Plus" program with Magnum Steel Works, National Railway Equipment, and Phoenix Modular Elevator.

Our dinner at Cedarhurst Center for the Arts showcased a presentation by North American Lighting (NAL), part of the Koito Group, with facilities in Paris, Salem and Flora, and more than 3,700 employees statewide. Local government and corporate officials from six counties networked with the Consulate-General's team, allies from Intersect Illinois, the Illinois Department of Commerce, and the Illinois Manufacturer's Association.

We truly appreciate our partnership with Consul-General Ito and JETRO, and our teamwork with the Japanese companies in Southern Illinois. Japanese FDI broadens the client base, improves R&D and production methods, and creates jobs and opportunities for smaller businesses. For example, NAL is responsible for sizeable growth at Schulte Industries. Through Komatsu's acquisition of Joy Global Mining, Magnum Steel has new service offerings too. Jefferson County welcomes additional investment in manufacturing, freight & logistics, agriculture and other areas. Our companies are succeeding here and you are welcome to join us!



Jonathan Hallberg (right) meets with the visiting delegation, along with local and state business officials.



The November visit to Mount Vernon, Illinois was led by Consul-General Naoki Ito (center, above), and representatives from JETRO Chicago. Above the group is welcomed to Magnum Steel.

## Housewares Show Features 12 Companies in Japan Pavilions

For the seventh time JETRO has organized the Japan Pavilion at the **International Home and Housewares Show (IH+HS)**, at Chicago's McCormick Place, March 10-13, 2018. 12 companies will be 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, including traditional Japanese cutlery, chopsticks, cooking pots, wooden cutting boards, tea tumblers, 3-D frames, eco-friendly tote bags, bathroom accessories, and cleaning items.

WAHEI FREIZ CORPORATION	Non stick pan	<a href="https://www.wahei.co.jp/">https://www.wahei.co.jp/</a>
KIRIHARA WORKS & DESIGN	3D Frame	<a href="http://www.facebook.com/QUily.W.D/">www.facebook.com/QUily.W.D/</a>
SAN-EI FAUCET MFG. CO., LTD.	bathroom accessories	<a href="http://www.san-ei-faucet.com">www.san-ei-faucet.com</a>
MacMa Co., Ltd.	Tea Tumbler	<a href="https://www.macma-global.com">https://www.macma-global.com</a>
SUNLIFE CO., LTD.	Chopsticks	<a href="http://www.ohashi-sunlife.com/">http://www.ohashi-sunlife.com/</a>
PRAIRIE DOG CO., LTD.	Eco bags	<a href="http://www.prairiedog.com/en/">http://www.prairiedog.com/en/</a>
NIHON CLEAN-TECH Co.,LTD.	Cleaning items (floor, bathroom brush)	N/A
AISEN INDUSTRIAL CO., LTD.	Kitchen brush	<a href="http://www.aisen-industrial.com">www.aisen-industrial.com</a>
Kodai Sangyo	Cutting board	<a href="http://www.kodaimokuty.co.jp/en/">http://www.kodaimokuty.co.jp/en/</a>
PEARL METAL CO.,LTD.	Tabletop Items	<a href="http://en.p-life.co.jp/">http://en.p-life.co.jp/</a>
Ginpo Co., Ltd.	Casserole pots	<a href="http://ginpo.co.jp/english/index.html">http://ginpo.co.jp/english/index.html</a>
Seki Kanetsugu	Cutlery knife	<a href="http://www.sekikanetsugu.co.jp/">http://www.sekikanetsugu.co.jp/</a>

## Rochelle, Illinois Welcomes JETRO Chicago Visit



### Guest View

**Jason T. Anderson**  
CEO, Greater Rochelle  
(IL) Economic  
Development  
Corporation

During my recent visit to Japan as part of Illinois Governor Bruce Rauner's delegation, I had the distinct pleasure of being introduced to JETRO Chicago Chief Executive Director Ralph Inforzato and Consul-General Naoki Ito. After

a short conversation, I invited them to come to Rochelle to explore the many opportunities we have to offer Japanese companies who seek to establish operations in the U.S. Much to my surprise, within just weeks of returning from Japan their visit was arranged for November 10th.

The tour of the City began with a delegation briefing on the day's events in the City's Conference Center. Then it was off to the Rochelle Municipal Airport where a helicopter was standing by to take our guests on an aerial tour of the City, which was followed up by a presentation about the more than \$80M in infrastructure investments the City has made to attract industrial development. We then toured the Silgan Manufacturing plant where high speed technology produces 2 billion "can ends" per year which are used primarily for food packaging. The delegation then traveled to the MightyVine Hydroponic Growing center where they were briefed on the art of growing tomatoes 24 hours a day 365 days a year in a highly controlled

"clean" environment. Sampling these tomatoes, the delegation enjoyed what are probably the best tasting tomatoes in the world.

A business roundtable luncheon was held where Mr. Inforzato

and Consul-General Ito addressed a group of 30 industrial leaders and elected officials. Mr. Inforzato spoke to the group by highlighting the significant infrastructure that the community has built to attract industrial development. He said, "The infrastructure investment is an indication of strong leadership." He also went on to say "What impresses me most about Rochelle is the passionate leadership for building and growing a stable economy." The tour ended with a tour of the Rochelle Business and Technology Center, which is a co-location data center for six internet providers and multiple users. Before departing, CED Inforzato and Consul-General Ito met with a group of City leaders. Mr. Ito's parting remark was "I can see that Rochelle is the "hub" for everything from roads, railroads, good school facilities, and ample land for further industrial development". Mr. Inforzato gave his final thoughts about his visit, "I believe many Japanese companies will find Rochelle to be a good place to locate their operations. I look forward to returning to Rochelle."



Consul-General Naoki Ito (center, above), along with JETRO Chicago's Ralph Inforzato and Takayuki Watanabe were welcomed to Rochelle by Jason Anderson and other local leaders.

## Komatsu Rapidly Accelerating Mining Growth Post Acquisition



### Guest View

**Caley Clinton**  
Manager - Marketing  
Communications & PR  
Komatsu Mining  
Corp. Group

When Komatsu America Corp., a subsidiary of Komatsu Ltd. completed its \$3.7 billion acquisition of Milwaukee-based Joy Global Inc. in April it was the largest acquisition in the Tokyo-based company's history. Now,

more than six months after the deal closed, the companies are coming together globally to rapidly enhance and increase Komatsu's offerings for mining customers worldwide.

The acquisition has brought together four of the most innovative brands in mining: Komatsu, an equipment design and manufacturing powerhouse since 1921; Joy, known for underground soft and hard rock equipment dating back to 1919; P&H, an industry-leader in surface mining equipment since 1884; and Montabert, a leader in hydraulic demolition and drilling equipment dating back to 1921.

"This acquisition was an important means of rapidly expanding our ability to create enhanced value for our customers," Komatsu Ltd. President and CEO Tetsuji Ohashi said. "The P&H, Joy and Montabert products align perfectly with existing Komatsu offerings, allowing us to provide customers with a full set of solutions."

P&H electric rope shovels and wheel loaders pair with Komatsu haul trucks, while the Joy and Montabert products bring underground and hard rock mining to Komatsu's portfolio. Beyond its brands, the company is also leveraging its manufacturing expertise and dedication to service to combine best practices worldwide with the goal of being indispensable to its mining customers.



Ribbon Cutting: Komatsu executives and government officials cut the ribbon to celebrate the launch of Komatsu Mining Corp., part of the Komatsu group.

"Uniting our global teams brings endless opportunities for our customers, employees and the industry," Komatsu Mining Corp. President and CEO Jeffrey Dawes said at a May ceremony in Milwaukee, WI, at which the former Joy Global organization was officially rebranded Komatsu. "Our products, solutions and technologies align, as if by design. We have the same priorities and values: safety and our customers first; quality and reliability in everything we do; diverse people who collaborate globally; partnering with our communities to make them better places to live; and innovating to take the mining industry to new heights."

Since the acquisition closed, Komatsu now has an additional 10,000 employees with deep knowledge of and experience in mining – for a global employee total of nearly 60,000. Komatsu Mining Corp. leadership including Dawes are based in Milwaukee, WI -- where the P&H brand was founded more than a century ago – and are working with teams from across the Komatsu organization to align on product and service offerings, manufacturing capabilities, new product development and cross-business sales opportunities. With a focus on providing one face to customers, Komatsu teams are learning to leverage the new competencies on both sides of the business to build an exciting future together.

"We plan to build on the strength of our shared cultures," Ohashi said, "including our unwavering belief in safety first and our passion for providing innovative solutions, to become an unrivaled mining solutions and services provider."

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## Success for Stratasys Japan Co., Ltd. ... 3D Printer Company with Minnesota Roots



Stratasys Ltd., the world's largest 3D printer manufacturer, set up a company in Japan in 2012. The company offers a wide range of 3D printers from large, high-performance printers for industrial use to 'prosumer' printers. It is now five years since Stratasys started business in Japan. This article is excerpted from a 2017 interview with Hiroaki Katayama, President and CEO of Stratasys Japan, who talks about Stratasys's business expansion and future plans in Japan. You can find the complete success story at [https://www.jetro.go.jp/en/invest/success\\_stories/stratasys.html](https://www.jetro.go.jp/en/invest/success_stories/stratasys.html).

Stratasys was founded in the U.S. state of Minnesota in 1989. After the merger with Objet, a leading company in the same industry in Israel in 2012, the Japanese subsidiary of Objet changed its name to Stratasys Japan in July 2012. Stratasys is now the world's largest 3D printer manufacturer. The company's decision to enter the Japanese market was not only because Japan was Stratasys' second largest market after the United States, but also because they reasoned the market would allow them to grow through collaboration with Japanese companies. In Asia, the Chinese 3D printer market has been expanding rapidly in recent years and gaining significance. However, Stratasys believes that Japan continues to be the most important country in the region.

In Japan, 3D printers have been attracting attention for the past few years, but the initial excitement has calmed since around 2016. Nevertheless, interests in industrial applications of 3D printing are growing gradually.

Keeping pace with fast-growing 3D printer markets in the world, Stratasys has steadily increased its sales. The global 3D printer market, however, grew just 17.4% in 2016, down from 25.9% in 2015. Much of the downturn came from declines in sales at Stratasys and 3D Systems, the two industry giants, which together account for 21.7% of the industry's \$6 billion global market.

Although Stratasys Japan's sales have been flat since 2016, President Katayama remains positive. "The reason for the flat sales is that 3D printers are in a transitional stage toward being used for direct digital manufacturing (DDM). 3D printers have mainly been used to make

prototypes in the manufacturing industry so far, but now they have started to be used to create jigs and parts for product manufacturing or end products. If this trend continues, they will eventually be used for mass production, resulting in a spike in the use of 3D printing," he explains.

Stratasys recently transferred a member of the R&D group in Israel to Japan for two main objectives: to collect requests from existing users in Japan to make proposals to the U.S. and Israeli headquarters on improving the 3D printing technology; and to evaluate Japanese companies' technologies. Since then, negotiations on technical partnerships with several major Japanese companies have been underway. Fields for collaboration range widely from sensors and LEDs to materials and energy-conservation. Stratasys is considering establishing an R&D center in Japan in the near future to further promote these activities.

The president expresses his hope, saying: "Stratasys has been collaborating with overseas companies such as Siemens, Ford, Boeing and McLaren but is also hoping to jointly develop products with Japanese companies, who are inherently very cooperative and keen on creating new value for society through joint projects."

Stratasys sees that in addition to automotive and aerospace industries where 3D printing technology is currently most used, 3D printing in the medical, dental, art and entertainment fields have significant capacity for expansion.

Stratasys has been receiving detailed information on the Japanese government's subsidies for R&D and IoT from JETRO for their business expansion in Japan. The company has also been taking advantage of support from JETRO such as the provision of information on potential partners. Stratasys plans to seek further help from JETRO for their future developments in Japan, especially for establishment of their R&D facility.



Hiroaki Katayama,  
President and CEO of  
Stratasys Japan

## JETRO Assists Six Startups at CES

The International Consumer Electronics Show (CES) once again broke its own records for size and attendance this past January. CES 2018, the world's preeminent technology showcase and innovation catalyst, featured more than 3,900 exhibitors, including 900 startups participating in the Eureka Park marketplace. JETRO Chicago exhibited for the first time in Eureka Park, featuring six Japanese startup companies with an array of innovative technologies.

Aroma Bit introduced a new digital sensor that identifies and creates visual "fingerprints" for smells, which effectively "digitizes the last of the five senses we have". BONX Inc introduced the hands-free, voice-activated, group communication device called Grip that allows athletes and outdoor enthusiasts to stay in touch no matter where they are. Borderless showcased the CrossHelmet, a "smart helmet" that utilizes high-tech solutions to improve rider safety and comfort. MJJ Inc., a Tokyo-based robotics company, showcased Tapia, a personal AI robot

companion. Novars Inc. introduced the 'smart battery' MaBeee, which is an AA battery-shaped IoT device that lets users take full control of an item such as a toy with their smartphone. Triple W showcased a non-invasive ultrasound device that tracks bladder fullness to help people with incontinence avoid accidents.



Visitors visit with Japanese exhibitors at the Consumer Electronics Show.

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## Governor Snyder ... from page 1



each other, the more we realize how much we already have in common.

Michigan is the leader in automotive research and design. We have a strong manufacturing base and we have a talented workforce. Those qualities are attractive to businesses considering expanding in the United States, and as the world becomes increasingly interconnected it's important that we work

together to cultivate mutual investments and stronger relationships.

The DENSO Corporation's decision to expand its North American headquarters in Southfield, Michigan will help create an even better environment for the development of advanced mobility vehicles and technologies. I look forward to building on these partnerships—and creating new ones—with a focus on cultivating business growth and economic vitality for both of our states.

Michigan's partnership with Shiga is not just about economic growth—it is also about deepening our understanding and appreciation of each other's vibrant culture and traditions. Last year Michigan celebrated the grand opening of a new Japan gallery at the Detroit Institute of Arts. Thanks to the support of the Japan Business Society of Detroit and a

group of 21 Japanese businesses—many with automotive operations in Detroit—\$2.2 million in donations were pledged to the DIA in 2014. This investment made way for the reinstallation of the museum's Japanese art collection in a new gallery—the first of the DIA's Asian galleries to be reinstalled.

The new Japan gallery is a tremendous opportunity for Japanese citizens and Michiganders to interact and continue to develop meaningful, cultural relationships. It's also symbolic of how we can learn from one another and help visitors from around the world get a glimpse of the vibrant cross-cultural partnership and respect between Japan and Michigan.



Michigan and Japan are international friends and partners and it's important to foster our economic and cultural ties. In Michigan, we are proud of our ethnic and cultural diversity, and we value the strong bond and mutual celebration of traditions between Michigan and Shiga. The first 50 years of Michigan's connection with Shiga has cultivated a special relationship between our two states, and I look forward to even more growth in our partnership over the next 50 years and for generations to come.

## Guest View: Battle Creek ... from page 1

the Department of Commerce's International Trade Administration, SelectUSA promotes job creation and inbound foreign direct investment. SelectUSA staff are stationed at embassies and consulates all over the world and work with foreign companies considering expansion into the USA. SelectUSA holds regular events to connect foreign companies with economic development organizations (EDOs), helping local communities build relationships with prospective international investors.

The theme for the Osaka and Nagoya seminars was "Innovation in the USA". BCU was one of ten organizations selected to participate, and one of only two organizations representing cities. The other EDOs represented different states across the country.

The Osaka seminar started with a market briefing on Osaka and the Kansai region, followed by a presentation on the Osaka Innovation Hub, the city's impressive new tech incubator. After lunch, the formal program began. Approximately 100 people attended the event, filling the room to capacity. Each EDQ gave a brief presentation about their competitive advantage and how they assist foreign companies coming in to their region. The presentations were followed by a networking reception, allowing the speakers the opportunity to interact with the attendees.

My message to the attendees was that Battle Creek is where innovations are manufactured. During the seminar, I had one-on-one meetings with three Japanese companies. These firms were interested in expanding their business into the USA and were eager to learn about Battle Creek.

Day two began with an early morning ride on the shinkansen to Nagoya. Due to the big snow storm in Tokyo, our train was significantly delayed. Fortunately we were able to get to the Nagoya Chamber of Commerce in time for the preliminary program, which included a market briefing

on Nagoya and the Chubu region. Approximately 50 people braved the snow and ice to attend the seminar in Nagoya, with most companies in the automotive industry.

During the break, I met with another of the Japanese companies which requested a one-on-one meeting. This company is a large automotive supplier with multiple subsidiary companies, one of which already has a sales office in Michigan. They are beginning to look for manufacturing sites in the Midwest and wanted to know about the resources in Battle Creek for Japanese companies.

After the seminar, Gary Schaefer, the American Consul-General in Nagoya, graciously hosted a reception at his home. I met a number of top executives from some of Japan's largest automotive companies. It was a great evening of networking.

The trip, albeit brief and with a few hiccups, was a great way for BCU to meet some new prospects and talk about Battle Creek. Thanks to the SelectUSA team in Japan and Washington, DC, I was able to interact with companies that I might never have been able to meet otherwise.

In addition to events like this one in foreign countries, SelectUSA also holds an annual Investment Summit in Washington, DC. The 2017 event attracted more than 2,800 participants from over 60 international markets, including over 1,200 global business investors. I am already registered to attend the June summit and am looking forward to connecting with more international companies looking to enter the U.S. market.



*Robert Corder speaking at the SelectUSA seminar in Osaka in January.*

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## JETRO publishes 2017 Survey on Business Conditions of Japanese Companies in the U.S.

In October and November of 2017, JETRO conducted a survey on the state of Japanese manufacturers (producers and sellers) operating in the U.S. The results are summarized in a 31-page reports, available for download as a PDF.

Topics surveyed included: (1) Sales performance, (2) Future business direction, (3) Procurement and sales destination, (4) Challenges in management, and (5) Changing business environment.

The survey reported that 74.4% of the respondents forecast profits, bringing the figure to over 70% for six consecutive years (the longest period in the 36 year history of the report).

Additionally 41% of reporting companies had increased local employees in the previous year; bringing the figure to over 40% for the past six

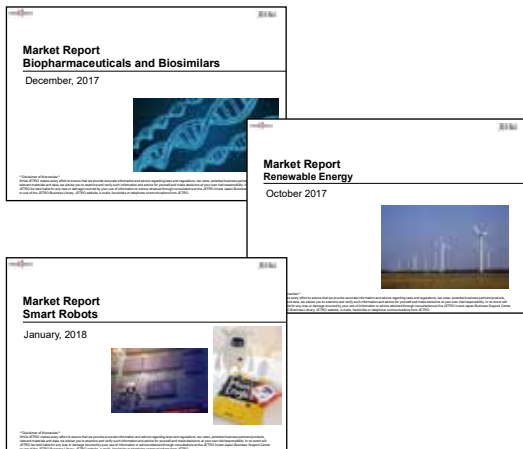
years. With the favorable business environment in the U.S., 57.1%, up from 2016, were considering expansion within two years.

Among challenges in the management (factors related to increase in costs), the top item was "recruitment of workers" (70.6%), up 7.1 points from 2016, followed by "increase in labor cost" (68.7%), indicating HR-related concerns.

You can find a release featuring more highlights of the report on the JETRO headquarters website at <https://www.jetro.go.jp/en/news/releases/2018/6cdefed82844795e.html>.

The 31-page report, complete with detailed graphs and findings is available for download at [https://www.jetro.go.jp/ext\\_images/en/reports/survey/pdf/rp\\_firms\\_us2017.pdf](https://www.jetro.go.jp/ext_images/en/reports/survey/pdf/rp_firms_us2017.pdf).

## JETRO releases new Attractive Sectors Market Reports



A number of new reports have been issued by JETRO, introducing attractive sectors focusing on promising industries for overseas companies that are considering FDI into Japan. Here are the most recent of these reports, each available as a downloadable PDF.

- **Smart Robots**
- **Biopharmaceuticals and Biosimilars**
- **Smart agriculture**
- **VR / AR**
- **Renewable Energy**

Look for these reports on the JETRO headquarters site at <https://www.jetro.go.jp/en/invest/attract.html>.

You'll also find a number of reports on other sectors, published earlier.

## JETRO publishes Invest Japan Report 2017

In December 2017, JETRO published "Invest Japan Report 2017", a comprehensive report covering recent trends in inward FDI to Japan.

The report covers a number of significant points, and discusses them in detail, including:

1. The significant increase in Japan's inward FDI, with stock and inflow both marking record highs.
2. The new trend of inward FDI in Japan, with foreign technology contributing to innovation in Japanese society.
3. Efforts and programs to make Japan the most business-friendly country in the world

Look for the press release and detailed summary at <https://www.jetro.go.jp/en/news/releases/2017/98ff9d3875687f8d.html>.

You can download the complete report in English at <https://www.jetro.go.jp/en/invest/reports/>

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

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## Chief Executive Director ... from page 1

existing Japanese companies in their local regions. Our Midwest governors, mayors, economic development executives, academic leaders and their students all want to obtain a richer understanding of how the Japanese presence has grown and importantly how it can be sustained in the American Heartland.

The focus of Michigan Governor Rick Snyder's article in this Midwest Newsletter is the fifty-year history of Michigan's Sister State relationship with Shiga Prefecture. Through the years, I have personally heard Governor Snyder speak with passion about three things: the economic comeback of the State of Michigan; his perspectives regarding Japan; and his relationship with Shiga Prefecture. The personal relationship he has developed with Shiga Governor Taizo Mikazuki is one of a deep sense of trust. Perhaps an important component of the U.S.-Japan bilateral relationship, which is often unnoticed, is built by governors like Rick Snyder with his commitment to developing a close sub-national relationship between Michigan and Shiga. I also saw this same type of state-to-prefecture dynamic in Indianapolis in late October as Aichi Governor Hideaki Ohmura visited Indiana Governor Eric Holcomb. Well over 250 Hoosiers came to the Friends of Aichi Reception, held in Indianapolis, to welcome Governor Ohmura and his team.



Ralph Inforzato with Hideaki Ohmura, Governor of Aichi Prefecture, Japan at the Friends of Aichi event in Indianapolis, October 23.

Japanese governors traveling to meet their counterparts in the Midwest to get a sense of what the Heartland of America is all about is a positive movement that we have not seen before.

I believe we are also seeing a wellspring of interest from our Midwestern mayors and their economic development teams, specifically those from small and medium size cities. These include Fort Wayne, Indiana; Evansville, Indiana; and Columbus, Ohio, all of which are just as active with Japan as their counterparts in large global cities like Chicago, if not more so. I think local leaders from these small Midwest cities can clearly see the sustainable business growth and job creation of Japanese companies in their respective states and can react quickly enough to create an economic strategy or adjust an existing plan to include a Japan development effort.

This support of Japanese investment expansion is what I see happening from economic development professionals like Mark Petersen, Chicago; Joe Sobieralski, Battle Creek, Michigan; Deborah Scherer, Columbus, Ohio; Jason Anderson, Rochelle, Illinois; and Greg Wathan, Evansville, Indiana. I realize these people may remain faceless to you. They do not write policy papers (although they should), but actually they do much more. They travel to global markets, especially to Japan, to build relationships with Japanese companies that invest in their regions and their communities. Simply put, they sustain the virtuous cycle of Midwest job creation by Japanese investment. A Japan-focused economic development strategy has been the hallmark of Jim Plump, Executive Director, Jackson County Economic Development Corporation (located in Indiana), who has successfully visited Japan for decades. It is refreshing that new local Midwest economic development groups are focusing more intently on Japanese company investment in their cities and counties.

As a matter of fact, two of our friends, Jason Hester, President, Greater



A January program by the Chicago Council on Global Affairs featured (from left) Mike Lev, Chicago Tribune; Kei Pang, Nidec Motor Corporation; James Mathis, Komatsu America Corporation, Peoria Operations; Jason Hester, Greater Columbus Indiana Economic Development Corporation; and Jonathon Hallberg, Jefferson County Development, Mount Vernon, IL

Columbus (IN) Economic Development Corporation and Jonathon Hallberg, Executive Director, Jefferson County Illinois Development Corporation (Mount Vernon, IL), joined a fascinating panel discussion about how they retain and help existing companies to grow in their communities while also developing an effective foreign direct investment strategy. Their first time participation in a Chicago Council event was part of a January 24th program organized by The Chicago Council on Global Affairs and sponsored by the Consulate-General of Japan in Chicago.

Additionally, the Midwest-Japan relationship is attracting more and more visibility in Japan. James Gutierrez and Monika Truong, research reporters working for Japan's oldest English language newspaper, The Japan Times, visited me in the autumn of 2017 asking for knowledge and guidance on the strength of the Japan-Midwest economic relationship. They needed to know why there is such a strong Midwest-Japan relationship and why it continues to grow. They interviewed our thought-leaders from the Great Lakes states about the importance that Japan holds for their economies, a subject that will be part of a special report in The Japan Times this winter. The input and message from their autumn visit was so valuable that it has catalyzed a return trip in early April to Iowa, Kansas, Missouri, Minnesota and Nebraska among other states, for an additional special report.

The level of Midwest interest concerning Japanese food products and beverages is just as intense. A leading American beverage distributor strongly encouraged my top colleague Takayuki Watanabe to do sake tastings in his Midwest city and to complement our tastings with educational programs focused on the history of sake, its production, and how best to serve it. He said, "My clients are very interested in sake and they want to be educated." It is interesting for us to learn that the Midwest beverage distributors are expecting that we at JETRO do more than sake tastings. In fact, they are encouraging us to include an educational class on the cultural history of sake for their clients. We have heard the same request for Japanese green tea. Americans want more than food or beverages from Japan; they are asking for the cultural narrative of the Japanese products' background. I am delighted to hear these requests and we will be sure to follow up on their guidance.

*And breaking good news:* I am excited to inform you all that our esteemed JETRO Chicago colleague and former Chief Executive Director, Tatsuhiro Shindo, whom all of you know very well, was recently appointed to be Japan's Ambassador to Uruguay. He will depart this month. This is just an outstanding achievement for Shindo-san.



Ambassador Tatsuhiro Shindo