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JETRO Chicago Midwest NEWSLETTER

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

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JETRO to Host Japan Pavilion at RSNA 2015 in Chicago

The 101st Scientific Assembly and Annual Meeting of the Radiological Society of North America, RSNA 2015, will be held from Sunday, November 29 through Friday, December 4 in the North and South Halls of McCormick Place in Chicago. This year, JETRO will be sponsoring eight Japanese companies at the Japan Pavilion in the North Hall, Booths 7932-8036. The companies exhibiting this year are:

AIIM Japan Co., Ltd. (Tokyo) – Booth 7934. Medical X-Ray Tank Units, Radiographic Equipment, and Cassette-Sized Detector Holding Stand. <http://www.aiim.co.jp/>

Fujidenolo Co., Ltd. (Aichi) – Booth 8034. Magnetic Material Detector for MRI. <http://www.fujidenolo.co.jp>

LEXI Co., Ltd. (Tokyo) – Booth 8033. 3D Pre-Operative Planning Software. <http://www.lexi.co.jp/en/>

PSP Corporation (Tokyo) – Booth 7932. Picture Archiving and Communication System (PACS). <http://www.psp.jp.com>

Renaissance of Technology Corporation (R'Tech) (Hamamatsu) – Booth 8036. 3D Model Production Service, Blood Flow Visualization and Analysis Software, and Dynamic Analysis Software for the Myocardium. <http://www.r-tech.co.jp/en/>

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The 47th Annual Joint Meeting: "More Relevant Than Ever"



From the Chief Executive Director

Ichiro Soné
Chief Executive Director,
JETRO Chicago

The 70th anniversary of the end of World War II last month was a timely date to confirm the strong ties that now exist between Japan and the U.S. Midwest. The 47th Annual Joint Meeting of the Japan-Midwest U.S. and Midwest U.S.-Japan Associations was held in Tokyo from September 13-15, and it was a big success.

The latest meeting followed Prime Minister Shinzo Abe's state visit and his address to a joint meeting of the U.S. Congress in April and a business mission in June from the Keidanren (The Japan Business Federation). The mission consisted of three groups and brought over 100 CEOs and senior executives to 10 U.S. cities, including Illinois, Indiana and Ohio.

Yoichi Miyazawa, Japan's Minister of Economy, Trade and Industry (METI), and Caroline Kennedy, U.S. Ambassador to Japan, delivered keynote speeches at the September meeting.

Yuzaburo Mogi, the Japan Conference Chairman and Honorary Chairman of the Board at Kikkoman Corporation, said that the number of attendees present - over 300 - reflected the expanding Japan-Midwest U.S. relationship that is now more relevant than ever. Mr. Mogi stated that since the Joint Meeting began in Chicago in 1967, it has become one of the longest-held private sector gatherings of its kind.

W. Gordon Dobie, U.S. Honorary Chairman and Partner at Winston and Strawn, said that over 90 Japanese companies are now members of the Japan-Midwest Association, and that membership is increasing. He also emphasized that the political, cultural, and

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Wisconsin-Japan: A History of Partnership



Guest View

Rebecca Kleefisch
Lt. Governor,
State of Wisconsin

Wisconsin's Lt. Governor Rebecca Kleefisch recently led a business development mission to Japan with the Wisconsin Economic Development Corporation (WEDC). The delegation met with corporate and governmental leaders promoting Wisconsin and its key industry clusters. The Lt. Governor also delivered remarks to the Midwest U.S.-Japan Association; here is an edited

version of her speech.

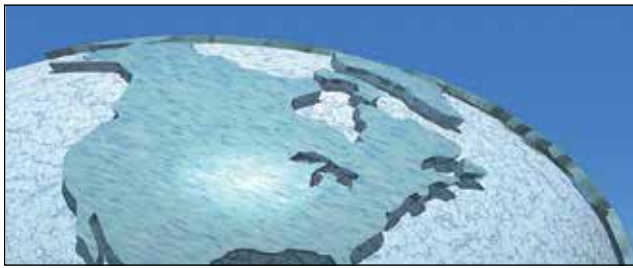
I am not the first person from Wisconsin to travel across a continent and an ocean to come to Japan. A century ago, another native of my state made a similar trek. Augustus Groeschel was a German-American from Kewaunee, Wisconsin. A brewer of

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JETRO Around the Midwest

Seminars, Meetings and Events



Governor Jay Nixon, State of Missouri, welcomed JETRO Chicago's Ichiro Soné to Jefferson City, for a meeting on Friday, September 4.



JETRO Chicago's Ichiro Soné met with Illinois Governor Bruce Rauner on Monday, August 31, at Thompson Center in Chicago.



In June, a delegation from Keidanren (Japan Business Federation) made a rare visit to the Midwest. As part of their visit, the delegation visited the State of Indiana and met with Governor Mike Pence (center, above).



On Wednesday, August 12, students from Meiji Gakuin University who participated in a program at Hope College in Holland, Michigan, visited the JETRO Chicago office and heard presentations from JETRO staff members.



On July 24, JETRO Chicago's Ichiro Soné met with Ambassador Clayton Yeutter, former U.S. Trade Representative and Secretary of Agriculture, in Washington DC.



Arlington International Racecourse in Arlington Heights, Illinois was the site of Japan Day, on July 18-19. Above, at the JETRO Chicago booth are Daisuke Ito and Takayuki Watanabe.



When Ichiro Soné and Ralph Inforzato visited Tokyo for the Japan-Midwest U.S. Association Meeting in September, they had a chance to reconnect with many JETRO Chicago alumni at a special dinner. All send their best regards to their Midwest friends.



On September 1, JETRO Chicago welcomed Ron Arnold, Executive Director, Daviess County Economic Development Corporation (left) and Mayor Joseph Wellman, City of Washington, Indiana (2nd from right). With their guests are Ichiro Soné and Ralph Inforzato, JETRO Chicago.



JETRO Chicago attended the Fifth Annual IOWASLA Business Summit, on September 25 in Des Moines. Above, from left, Amb. Kenneth M. Quinn, The World Food Prize Foundation; Kobei Okui of JETRO Chicago; Iowa Lt. Governor Kim Reynolds; Iowa Governor Terry Branstad; and Keizo Shirakura of the Consulate General of Japan in Chicago.

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Dukane Corporation finds success in Japan, with JETRO assistance

Dukane Corporation is a diversified global manufacturer based in St. Charles, Illinois. Originally founded in 1922 as a manufacturer of radios, Dukane is focused on manufacturing ultrasonic plastic assembly systems and audio visual equipment like video projectors, presentation monitors and mounting equipment. In addition to its headquarters in Illinois, Dukane has technical centers in Connecticut, Georgia and Michigan as well as in the Czech Republic, France, China, India and Japan. The privately held company employs approximately 275 people worldwide.

Beginning in the mid 1990s, Dukane relied on distributors to sell their equipment in Japan. Although it was a solid market for the company, management believed that the Japanese market held far more potential for their plastic welding products. The company conducted a comprehensive market analysis, comparing their products, features and costs to other similar equipment, and felt that sales in Japan should be much higher.

Russell Witthoff, Director of Sales & Marketing for Asia & Europe for the Intelligent Assembly Solutions Division, noted that while using distributors in Japan was easy, there were a number of advantages to setting up an office in Japan and selling their equipment direct to customers. With a presence in Japan, Dukane would be better positioned to access the engineers at the OEMs who make decisions about equipment purchases. Having an office in Japan would allow them to be more responsive to customers' needs. And selling direct would eliminate the additional cost markup that distributors add on.

By early 2013, Charles Clark, then President of Dukane's Intelligent Assembly Solutions Division, had made the decision to put an office in Japan. It would serve as a technical center, providing hands-on sales, support and training. Mr. Clark reached out to the Association for

Manufacturing Technology (AMT) and the Japan Auto Parts Industry Association (JAPIA) for advice. AMT and JAPIA each referred Mr. Clark to JETRO's Chicago office, which has a long history of working closely with both organizations.

In early April, Mr. Clark and Mr. Witthoff met with JETRO Chicago's investment team, who explained how JETRO helps foreign companies like Dukane enter the Japanese market. They outlined the various Japanese corporate structures, the timeline for setting up in Japan and the related costs associated with each option. They also provided Dukane with a cost comparison for setting up in different regions as well as information on wage rates.

Later that month, Mr. Clark and Mr. Witthoff traveled to Japan and had meetings at JETRO's InvestJapan Business Support Center (IBSC) in Tokyo. There they consulted with JETRO's experts on a number of issues, including the incorporation process, tax & accounting, labor law and immigration. JETRO also introduced Dukane to the Saitama Prefectural government, who took them on a tour of possible office locations.

Dukane moved quickly and by early August, Mr. Witthoff was back in Japan to officially open Dukane Japan Co., Ltd. The first three employees all came from former distributors and were familiar with the industry and Dukane's products. By August 2015, the company had grown to 7 employees in Japan. The office is led by Kunihiko Shinjo, Japan Country Manager. Mr. Witthoff added that Mr. Shinjo's title would be changed in 2016 to Resident Director. "As we've opened around the world, we've

DUKANE

Intelligent Assembly Solutions

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Shindo named JETRO Executive Vice President

We are pleased to announce that on October 1, Tatsuhiro Shindo, former Chief Executive Director of JETRO Chicago (2010-2013) was named Executive Vice President of JETRO. In his new position, Shindo-san will be responsible for JETRO's activities in The Americas and in Japan - the Kyushu region and Okinawa Prefecture; JETRO's Trade Fair and Service Industry Department; and also JETRO's Business Support Department. This is a tremendous career achievement for Shindo-san who as you all know feels a very close bond to the Midwest region of the U.S., which he calls the Heartland of America.

JETRO Director Presents to APEC Forum in the Philippines



by Daisuke Ito, Director of Agriculture & Research, JETRO Chicago

Recently, I gave a presentation about the FSMA (Food Safety Modernization Act) with the U.S. Food & Drug Administration (FDA) at the 2015 Workshop of the APEC Food Safety Cooperation Forum, Partnership Training Institute Network, August 24 in Cebu, Philippines. In my presentation, I explained what JETRO has been doing for the FSMA.

Our Chicago office has been in charge of researching the FSMA as part of our outreach activities for Japanese food companies. We will continue such efforts by informing Japanese companies of the new requirements and explaining to them in full detail, so they can continue to be compliant even after the implementation of the final rules, so American consumers can continue enjoying Japanese food products.

Omaha, NE Celebrates 50 Years of Friendship with Shizuoka

Since becoming sister cities in 1965, thousands of citizens have visited, studied, lived, and worked together in both Shizuoka and Omaha. In celebration of the 50th anniversary of the sister city relationship, a delegation of citizens and city officials from Shizuoka visited Omaha in September. A delegation of Omaha citizens and city officials will visit Shizuoka in October.



As the anniversary gift from Shizuoka to Omaha, 36 musicians from the Shizuoka Philharmonic Orchestra travelled to Omaha and performed in a joint performance with the Omaha Symphony in a concert titled "50 Years of Friendship".

As the anniversary gift from Omaha to Shizuoka, Omaha is shipping a ceramic "Tanuki" sculpture crafted by famous artist Jun Kaneko of Jun Kaneko Studio in Omaha. The Tanuki, meaning "Japanese Raccoon", is a signature hand-built glazed ceramic figure made in many different colors.



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Special Report: 47th Annual Midwest U.S.-Japan Association Conference



JETRO Chairman Hiroyuki Ishige (left) and JETRO Chicago's Ichiro Soné greet Michigan Governor Rick Snyder at the Tokyo conference.



JETRO Chairman Hiroyuki Ishige (left) has a chance to talk with Indiana Governor Mike Pence during a break at the conference.

(Below) JETRO Chairman Hiroyuki Ishige (left) and JETRO Chicago's Ichiro Soné welcome Nebraska Governor Pete Ricketts.



JETRO Chairman Hiroyuki Ishige (far left) moderated an Executive Panel Discussion, "Expanding Trade and Investment in a Global Economy." Panelists included Kazuo Ohmori, Chairman, Sumitomo Corporation; Patrik Jonsson, President, Eli Lilly Japan; Takeo Inokuchi, Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd.; and Jason Fischer, Vice President & Managing Director, Asia Pacific Region, UL Asia Pacific.



Meeting gets an updated status report on Trans Pacific Partnership (TPP)

At the 2013 Annual Joint Meeting in Tokyo, JETRO Chairman and CEO Hiroyuki Ishige introduced what were then new concepts of Asia-Pacific trade integration such as the Trans-Pacific Partnership (TPP) and RCEP (Regional Comprehensive Economic Partnership). These were completely new dimensions for most of the attendees concerning what regional trade integration could possibly look like in the far distant future.

However, at the recent 2015 Joint Meeting, the panelists and importantly attendees had a substantive knowledge of TPP and were enthusiastic to learn more about what the near present may look like for Asia-Pacific economic integration. As the negotiations surrounding TPP intensify to a conclusion, many presentations at the Joint Conference, particularly from Midwest governors, representatives from leading companies and organizations, provided thoughtful perspectives on the effect that TPP may have on the pace and sheer scale of trade and investment. Governor Branstad of Iowa characterized the TPP as an enduring agreement indicating that the political will is there to see that it is concluded and then passed into legislation. Governor Pence of Indiana urged the TPP negotiations to conclude as soon as possible.

The depth of the TPP and its possible future ramifications to the Asia-Pacific region were examined during the Joint Conference's final session called "Expanding Trade and Investment in a Global Economy." This was a top leaders' session that provided substance and clarity to the meaning and possible outcome of the TPP. Hiroyuki Ishige, Chairman and CEO of JETRO, and Takeo Inokuchi, Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd., indicated that China, which is

currently not a TPP member nation, should absolutely be brought into the TPP in the future. The benefits of including China in the TPP are immeasurable, as JETRO Chairman Ishige noted that TPP will be a motivation for China to increase their move to structural reforms. Patrik Jonsson, President, Eli Lilly Japan added the TPP was, "Once in a lifetime chance to truly expand trade and investment. It's a 21st century trade agreement based on the highest standard of rules."

Takeo Inokuchi provided his vision when he said that having China as a member of the TPP will then set a future course for moving toward a RCEP and FTAAP (the Free Trade Area of the Asia-Pacific) leading to a true Asia-Pacific Economic Community. "A single free market for most of Asia," according to Inokuchi.

People spoke of the TPP as being a high standard agreement for trade and investment. Jason Fischer, Senior Vice President and Managing Director for UL Asia Pacific (Underwriters Laboratory), indicated that TPP will bring a harmonization of standards and rules that will reduce the cost of doing business and increase the ability to offer services. He said that he felt that TPP would allow for a common process for technology to develop among members. "It is important to create common rules having baseline safety standards for technologies." Importantly, Mr. Fischer added that it is the responsibility of all TPP members from developed to emerging economies to increase their internal capacity to implement the new rules and standards that TPP will bring. It was a valuable panel that updated everyone on the Asia-Pacific economic integration and guided us all into thinking about the future.

Reported by By Ralph Inforzato, JETRO Chicago

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Special Report: 47th Annual Midwest U.S.-Japan Association Conference



At the conference, JETRO Chairman Hiroyuki Ishige had a chance meeting with former U.S. Vice President Dan Quayle (right), along with Indiana Governor Mike Pence.



JETRO Chairman Hiroyuki Ishige with Jim Schultz, Director, Illinois Department of Commerce and Economic Opportunity.



JETRO Chairman Hiroyuki Ishige with Iowa Governor Terry Branstad and JETRO Chicago's Ichiro Soné.



Indiana Governor Mike Pence holds a JETRO Midwest Newsletter, as he chats with JETRO's Kazuya Nakajo, Karina Kawakami, and Tatsubiro Shindo.



Theresa Kulczak, Executive Director of the Japan-America Society of Indiana, meets up with current and former JETRO Chicago friends, Ralph Inforzato and Tatsubiro Shindo.

**The 47th Midwest U.S. – Japan Association Conference
... through the eyes of attendees**

Meeting Observations: Jim Alexander, Vice President, St. Louis Regional Chamber



The 2015 Meeting of the Japan – Midwest U.S. and Midwest U.S. – Japan Associations in Tokyo generated many thought provoking and informative discussions. The theme, “Japan – Midwest U.S.: Expanding our Relationship” was quite appropriate and timely. Here are the key points I took away from the conference.

The opening session included remarks from nine Governors; five from Japan and four from the U.S. They all emphasized their deep and cooperative relationships; spanning business, government and academia. Many expressed their mutual commitment to one another and with pride, spoke about their shared interests, assets and friendships that have developed over time. This sentiment was summarized by all as “our shared values are our common bond.”

The theme of relationships was continued by H.E. Caroline Kennedy, U.S. Ambassador to Japan. She asked the delegates to “encourage

young people in our countries to get to know one another” through ongoing study and exchange.

Focusing on the strong business relationships between the U.S. and Japan, JETRO Chairman Hiroyuki Ishige emphasized how the proposed Trans-Pacific Partnership will enhance trade and investment opportunities in the U.S., Japan and ten other countries, leading to more success for all.

At the closing ceremony, Chairman Mogi presented the Joint Statement to the delegates recognizing the Midwest U.S. – Japan “commitment to encourage bilateral trade and investment through mutual cooperation based on trust cultivated over the years.”

The last sentence of the Joint Statement is one that I personally endorse; Delegates agreed to meet in St. Louis, Missouri for the 48th Annual Meeting to be held on September 11 - 13, 2016.

To all, I extend my personal invitation to “Meet us in St. Louis.”

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The 47th Midwest U.S. – Japan Association Conference ... through the eyes of attendees

Meeting Observations: Akisa Fukuzawa, Executive Director, Japan-America Society of Central Ohio



Despite the unseasonably heavy rain and an early morning earthquake, I was able to attend the joint meeting of the 47th Midwest U.S.-Japan Association Conference at the Imperial Hotel in Tokyo on September 14th and 15th. It was an extraordinary experience, and the first time the Japan-America Society of Central Ohio (JASCO) was able to

attend such a prestigious meeting. JASCO attended as part of the delegation lead by JobsOhio, including Columbus 2020, The Ohio State University, City of Dublin, Union County & City of Marysville and Honda of America Manufacturing.

It is difficult for small non-profit organizations like JASCO to attend such an event, but I believe this is exactly the kind of conference that JASCO should be involved with to better serve its mission of promoting cultural and business connections between the U.S. and Japan. JASCO's core member corporations are the largest foreign direct investment in Ohio and major contributors to the nearly 71,000 Ohio jobs created by Japanese companies. By serving our member companies and the Japanese community living in central Ohio through cultural events, language training and business seminars, JASCO fills an important role as an expert in promoting a strong U.S.-Japan relationship.

Among the many important speeches and remarks made by business leaders at the conference, the luncheon speech by former Ambassador Ichiro Fujisaki, the President of America-Japan Society in Tokyo, stood out the most. In addition to giving us a breakdown of current Japanese political issues, he emphasized the importance of the work that Japan-America Societies provide to their respective regions and requested that business leaders continue to provide strong support to Japan-America Societies. I couldn't agree with him more and urge every business to redouble its support to the local Japan-America Society in your region. Our mission is to connect Japanese and American cultures. Our outreach to the community is deeply imbedded at the individual level, including young people through the local school systems. Helping your regional Japan-America Society will strengthen the U.S.-Japan relations in the future.

I have no doubt this trip to Japan brought members of the Ohio delegation closer together. I was very fortunate to spend several days with such an excellent group of people. We were also able to develop a strong friendship with Governor Ueda of Saitama, our sister prefecture. With this kind of teamwork, our dedication to make Ohio a better place to live and work remains solid.

Dukane ... from page 3

seen how important that first hire is to successfully building the business.”

Dukane's Tokyo office serves as a sales and tech center. The staff provides training on Dukane machinery and has equipment set up to demonstrate different capabilities. While Dukane considered Saitama Prefecture, they ultimately chose a location in Tokyo's Chiyoda ward.



Mr. Witthoff expressed his appreciation for all of JETRO's support and assistance, both in the U.S. and Japan. JETRO introduced Dukane to a number of professional service providers, including a lawyer in Japan who advised them on setting up a KK and continues to serve as their official Managing Director; as well as an accounting company which handles their payroll and accounting matters. Dukane also utilized the free office space provided by the JETRO IBSC in Tokyo.

Mr. Witthoff admitted that hiring good sales people continues to be a challenge. Dukane needs people who speak some English, because they must work with engineers in Illinois. But they also need proactive sales people who have technical skills and understand how to develop new business. The company is working with HR agencies and online job sites to fill its open positions. While they have interviewed a number of candidates, too many were unqualified. Mr. Witthoff observed that a lot of the people were more interested in inside sales, servicing existing clients, but that they needed hungry go-getters who can bring new business in.

When asked about guidance for American companies considering Japan, Mr. Witthoff said it is important for foreign firms not to buy into the myth that Japan is closed, or too expensive or too hard. That misconception kept Dukane out of Japan for a long time. He said the company should have set up an office 10 years ago. There are obstacles but they can be overcome, especially if companies utilize JETRO's support. He said that Japanese companies are receptive to innovative, effective products. It is important for companies to understand that success in Japan requires a local presence, and the best way is to have your own office.

Looking forward, Mr. Witthoff said that they are already looking for a bigger office which can accommodate a larger staff as well as some light manufacturing. Over the next year, he would like to add two more sales people as well as a machinist. They are currently outsourcing some tool & die work to a machine shop in Chiba, but they need to be able to do some machining in-house. He hopes to find a suitable space somewhere in Tokyo or Chiba. Long term, he said the company may also consider setting up an office in the Nagoya region to be closer to automotive companies like Toyota, Denso and Aissin.

Mr. Witthoff said that while he had heard of JETRO, he thought that they only worked with big companies. He was surprised to learn that JETRO was interested in helping small & medium sized companies like Dukane. “JETRO provided us with such excellent support and assistance. The JETRO staff in Chicago and Tokyo helped us make sense of the process for setting up a company and showed us that we could do it. They made it seem real, possible. JETRO removed the doubt and uncertainty about setting up a company in Japan.”

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METI launches “Nippon Quest” Website

On August 11, 2015, the Ministry of Economy, Trade and Industry (METI) started NIPPON QUEST™, a website to showcase and disseminate unknown Japanese regional specialties to the world through proactive efforts by local communities. The website aims to promote communication between Japanese people who love a region of the country and foreigners who are fond of Japan by allowing them both to contribute and evaluate information about “regional specialties,” with the involvement of local communities. Although there are many regional products in Japan of which Japan is proud, the fact is that some local communities lack the know-how to provide people overseas with this information and to conduct public relations activities.

Visitors to NIPPON QUEST can not only contribute regional specialties themselves, but also evaluate specialties contributed by others and comment on them. Get more details at http://www.meti.go.jp/english/press/2015/0811_01.html, and check out the Nippon Quest site at <https://nipponquest.com/pc/>.



JETRO Releases Global Trade and Investment Report 2015

On August 14, 2015, JETRO released its Global Trade and Investment Report 2015, “New efforts aimed at developing global business.”

Key points of the reports include:

- World trade growth is weak.
- Japan’s trade deficit shrinking since middle of 2014. Profits from overseas operations increasing further.
- Japan’s outward FDI remains at high level with robust investment in ASEAN.
- Japan’s inward FDI increases for three consecutive years. Asia gains importance.
- 271 FTAs are in force around the world. Mega FTAs expected to develop further, led by TPP.
- ASEAN Economic Community (AEC) to develop further at the end of 2015.
- Service sectors becoming important in overseas expansion.
- Increasingly attractive “critical mass” markets and business expansion through alliances.
- Revitalization of regional economies through investment in Japan, exports of agricultural and fishery products and inbound tourism.
- Globalization of management through diversity.

A summary is available at <http://www.jetro.go.jp/en/news/2015/ea96c87efd06f226.html>.

You can also find the complete 18-page overview report in PDF format at http://www.jetro.go.jp/ext_images/_News/announcement/2015/ea96c87efd06f226/material_r.pdf.

The Order of the Rising Sun Bestowed Upon Dr. Mirja P. Hanson

On April 29, 2015, the Government of Japan announced the foreign recipients of the 2015 Spring Imperial Decorations. Among the 85 foreign recipients was Dr. Mirja P. Hanson, Former Honorary Consul - General of Japan in Minneapolis and Former President of the Japan America Society of Minnesota.

She will receive The Order of the Rising Sun, Gold Rays with Rosette, in recognition of her significant contributions to promoting exchanges and friendship between Japan and the United States. The prestigious decoration is conferred by His Majesty the Emperor of Japan.

Dr. Hanson spent most of her childhood in Japan as the daughter of a missionary family from Finland. Since she moved to the United States in 1974, she has been actively engaged in promoting the Japan - United States relationship.

As President of the Japan America Society of Minnesota from 1991 to 1995, Dr. Hanson broadened the range of programs to include not only cultural but also professional, economic, and public affairs presentations.

As Honorary Consul-General of Japan in Minneapolis from 2010 to March 2015, Dr. Hanson made an important contribution to further promoting the relationship between Japan and the United States in Minnesota.



Dr. Mirja P. Hanson with JETRO Chicago's Ichiro Soné.

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economic ties between the Midwest and Japan are very important from a global perspective.

No other overseas event is attended by as many U.S. governors, which proves both the significance of the meeting as well as the strong ties between Japan and the U.S. Midwest. Some 2,200 Japanese-affiliated companies operate in the region, employing over 235,000 people. Many Midwest companies are successfully doing business in Japan as well.

I would like to point out three new trends that I noticed at this year's meeting:

- (1) Participants increasingly recognized the significance of the Trans-Pacific Partnership (TPP).
- (2) Both U.S. and Japanese governors emphasized "region to region" global business partnerships and want to further promote them.
- (3) U.S. governors fully comprehend the importance of U.S. direct investment in Japan.

When JETRO Chairman and CEO Hiroyuki Ishige spoke about the significance of the TPP two years ago at this conference, I assumed that many people in the audience did not know much about the trade pact which aims to liberalize commerce in about 40% of the world's economy. But at this year's conference, many speakers mentioned the TPP. For further details, please read a related report in this newsletter by my colleague, Ralph Inforzato. A deal was concluded between 12 Pacific Rim countries on October 5.

Secondly, regarding the importance of "region to region" global business partnerships, Yamanashi Prefecture Governor Hitoshi Goto delivered a strong message on the importance of having such a valuable sister state relationship with Iowa. That state deserves the credit for saving Yamanashi's pork industry following a devastating typhoon which struck the prefecture in 1959. He showed photos of Sergeant Major Richard Thomas, a U.S. air force serviceman stationed in Tokyo at the time, who traveled to Yamanashi to organize a hog lift and feed air lift to help replace the breeding stock of the livestock lost in the disaster.

Governor Goto said, "It was the kindness of Iowa which helped us when we were suffering," which led to the official signing of the Yamanashi-Iowa Sister State Agreement in 1960, the first of its kind between the U.S. and Japan. As Governor Goto stated, "this all happened because of the actions of a good man, Sergeant Major Thomas."

Iowa Governor Terry Branstad echoed Governor Goto's sentiment about having strong global relationships with Japanese governors. He said that he is planning to invite a group of Japanese governors to attend the 2016 National Governors Association Conference which he will host in Des Moines. Governor Branstad also acknowledged the work of Yamanashi Governor Amano, who in 1993 sent assistance to Iowa families who were suffering from severe floods in the state, saying "This is how strong our relationship is with Yamanashi, they helped us in our time of need." He wants more American states to realize the important role that Japanese sister states can play in developing true global friendships.

Governor Rick Snyder of Michigan characterized his state's relationship

with Japan as one of friendship, and said the bond of trust between Michigan and Japan continues to strengthen. Before the conference, Governor Snyder took his first trip to Michigan's sister state and was excited about the future of this relationship. He was impressed with the Japan Center for Michigan Universities in Hikone City, Shiga, which since 1989 has been a unique asset for Michigan and for the United States. Currently there are 120 U.S. students learning along with their fellow Japanese students at the Center, which he called, "Our pleasure and pride."

Shiga Governor Taizo Mikazuki visited his sister state of Michigan for the first time as well earlier this year, and was very impressed by his visit to Detroit, which is improving after its economic and fiscal struggles were well known around the world. "I saw a city emerging in economic recovery," he said.

Governor Mike Pence of Indiana expressed his deep concern about the recent floods that struck Tohigi, which is Indiana's sister state. He said he was looking for ways to assist Governor Fukuda. Governor Pence took his first international trip to Japan as governor of Indiana in 2013, bringing a large state delegation with him. He returned this year with an equally large delegation of 40+ Hoosiers. He emphasized that Japan and the U.S. must continue to grow, and that the best way to do so was to conclude the TPP negotiations as soon as possible.

Governor Shuichi Abe of Nagano Prefecture stated that all students at a newly established prefectural university in Nagano must have the opportunity to study overseas, and said he has signed a memorandum to implement exchange programs with the University of Missouri. He highlighted the occasion of the 50th anniversary of the Nagano-Missouri Sister State relationship and said it can be a model for developing more global relationships for Nagano Prefecture.

Governor Kiyoshi Ueda of Saitama stated that he has always maintained that the primary responsibility for the well-being of Japanese citizens falls more upon the prefectural governors than on the central government. He said he fully embraces the move to globalize his prefecture, and is undertaking a major commitment to promote international student exchanges, and to assist small-and medium-sized enterprises in developing global partnerships.

Governor Pete Ricketts of Nebraska emphasized that the U.S.-Japan relationship is based upon common values, and it is these values that allow both countries to approach the world together.

Governor Kensaku Morita of Chiba Prefecture also emphasized international experiences and exchanges for his citizens. Rebecca Kleefisch, the Lieutenant Governor of Wisconsin, said that the Wisconsin-Japan tie is more than one of economics and that it is based on a "good neighbor" relationship with its sister state Chiba. The Lieutenant Governor is Wisconsin's Jobs Ambassador, and she fully recognizes the important role that manufacturing has in her state and the Midwest, as well as for Japanese economies. She said that both Japan and Wisconsin have hard-working and educated work forces who are grateful for the dignity of work.

Thirdly, on U.S. Midwest investment in Japan, U.S. state governments do not usually encourage companies to invest overseas because some fear that this might eventually lead to a loss of local jobs. Such fears might be relevant if companies were to expand in developing countries

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Japan Prime Minister Abe Speaks at JETRO Invest in Japan Seminar in New York City

JETRO New York hosted an exclusive Invest in Japan Seminar in New York City on September 28. The event, attended by more than 250 business executives, featured remarks by Japanese officials including Prime Minister Shinzo Abe and U.S. executives including Jamie Dimon, CEO of JP Morgan Chase.

Prime Minister Abe highlighted his multi-pronged approach to Japan's economic program, dubbed Abenomics, and how it benefits U.S. corporations that expand into Japan. As the largest net foreign asset holder in the world with \$3.1 trillion and the third largest GDP in the world, Japan is an attractive market for foreign direct investment.

"Today, I have come to convey the business advantages of Japan. One way Japan is working to attract business is by lowering the current corporate tax rate from 32 percent down to the 20s, over several years," said Prime Minister Abe at the event. "Japan is no longer a country closed to foreign people. If you live in Japan for three years and are highly skilled you are able to live in our country indefinitely. My aim is to make Japan a country with the greatest ease of doing business in the world. By all means, come and invest in Japan."

In order to promote the overseas business expansion of companies exploring potential technologies, Abe also discussed the Ministry of Economy, Trade and Industry's (METI) new Global Alliance Promotion Offices, which will provide a matching system for foreign companies and Japanese companies, in collaboration with JETRO. Funding will be utilized for investment in mid-ranking companies and SMEs. The program is expected to contribute to overseas expansion of Japanese mid-ranking companies as well as domestic employment and the revitalization of regional economies.

"Since Prime Minister Shinzo Abe was inaugurated three years ago, aggressive structural reforms have been progressing in Japan including corporate governance reforms, corporate tax cuts and challenging deregulation in major sectors such as energy, life science and agriculture," remarked Toshiyuki Yokota, President of JETRO New York. "In addition to these domestic reforms, both the U.S. and Japan have been working hard to conclude TPP negotiations, which will contribute to accelerating global business opportunities. There has never been a better time to invest in Japan."

Jamie Dimon, CEO of JP Morgan Chase, keynoted the event highlighting strengths of the bank's Japanese operations, which have been in business for nearly a century. Japan has generated the largest revenue as a single country in the APAC region for JP Morgan, last year accounting for nearly 20 percent of \$6.1 billion regional revenue.

Douglas Beck, Vice President of North America and Northeast Asia at Apple Inc., also discussed the tech giant's plan to build a technology development center within Tsunashima Sustainable Smart Town in Yokohama. The city is home to R&D facilities for several American companies: Dow Chemical, Tenneco, Sensata Technologies, and Johnson Controls. U.S.-based executive Eran Westman, CEO of Vidyo, Inc., also spoke about the software technology company's experience operating in Japan for the past four years.

Eikei Suzuki, Governor of Mie Prefecture, and Fumiko Hayashi, the first female Mayor of Yokohama City, also spoke about specific benefits of investing in varying regions of Japan; such as Mie's strength hosting meetings, incentives and conventions, and Yokohama's leading number of R&D facilities in all of Japan. Cabot Microelectronics (Illinois) was introduced in Governor Suzuki's presentation as one of the U.S. companies operating in Mie.



Prime Minister Abe addresses the JETRO Invest in Japan Seminar.



Takayuki Ueda, Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry (right), Eikei Suzuki, Governor of Mie Prefecture, Fumiko Hayashi, Mayor of Yokohama City, Eran Westman, CEO of Vidyo, Inc.

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seeking cheaper labor, but investing in Japan is different. Japan is the third-largest market in the world and a gateway to the rest of Asia, so U.S. Midwest companies invest in Japan in order to expand their business in Japan and beyond. They could increase exports to Japan and even grow their U.S. business by expanding their Japanese operations. I have met most of the Midwest governors, and they all understand the dynamics.

Some governors openly state that they hope to see their local companies expand their presence in Japan, and have introduced us to executives of leading companies in their states.

Overall, this annual meeting that began nearly five decades ago was initially aimed at encouraging Midwest states to invite more Japanese investment. It has now become a two-way street for both trade and investment, and we see many top-notch global Midwest companies and Japanese governors participating.

I am certain that this conference will develop further after the TPP is fully implemented. You will see more "region-to-region" partnerships between the U.S. Midwest and Japan, and business alliances between companies in the two regions -- and partnering in third countries, because we share the basic, common business values such as free trade, democracy and rule of law, as well as the work ethic described by governors at the conference.

I hope to see you all at next year's conference in St. Louis!

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beer by training and family tradition, Augustus's answer to Prohibition in the United States was to board a steamer bound for Japan, to take a job as maltster and brewmaster with the Kirin Brewing Company. Augustus introduced the four-drum method of malthouse brewing and he developed the first malt suitable for brewing that was made exclusively from Japanese-grown barley.

Forty years ago, a similar story unfolded in the opposite direction. A young Yuzaburo Mogi came from Japan to the United States, to Wisconsin, looking for a place to make soy sauce, lots and lots of soy sauce. Kikkoman was the first Japanese soy sauce maker to set down roots in the United States. It was a brave move at the time, and yet Chairman Mogi's vision and boldness have been more than vindicated over the years, as that plant now produces more soy sauce than any other facility worldwide.

The stories of Augustus Groeschel and Yuzaburo Mogi are tied together by more than a connection to Wisconsin: both men were innovators and risk-takers, with a passionate commitment to excellence and innovation.

Similarly, the two stories center around the same resources that make Wisconsin a great place to live, work, and do business. Augustus Groeschel came to Wisconsin looking for great grains and clear waters. Chairman Mogi found a fit for his soy sauce in Wisconsin because of our state's clean air and fresh groundwater, both integral to fermentation, and close proximity to lots of soybean and wheat

farms, all served by a strong transportation infrastructure.

Alongside our abundant natural and agricultural resources, Chairman Mogi also found a fantastic workforce, hard-working, ethical, educated. That's true of the more than 175 Wisconsinites who show up every day at Kikkoman in Walworth, or the 2,200 employees at Hitachi Metal's Waupaca Foundry

and its four plants in Wisconsin. These workers are the descendants of Augustus Groeschel, and they have that same pioneering spirit, incredible work ethic, and dedication to excellence in their craft.

Yet the friendship between Wisconsin and Japan runs deeper than the economic ties that stretch back across the decades with companies like Kikkoman and Kirin Brewing. And it goes beyond the wonderful relationship Wisconsin enjoys with our sister state of Chiba. Our friendship stems from the stronger ties that come from shared values and shared dreams. The dreams that bring an immigrant brew-master to a far foreign land, and the heir to a 300-year family legacy to the farm fields of Wisconsin. Thank you for that strong friendship.



JETRO Chicago's Ichiro Soné presents a gift of green tea to Wisconsin Lt. Governor Rebecca Kleefisch, when they met for a meeting in Milwaukee on August 12.

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TORECK Co., Ltd. (Yokohama) – Booth 8032. Real-Time Skin Dosimeter, DAP Meter, and Thermoluminescence Dosimeter System. <http://www.toreck.co.jp/english/index.html>

ViewSend ICT Co., Ltd. (Tokyo) – Booth 7933. PACS with Telemedicine Applications. <http://www.viewsend-ict.co.jp/>

Yasu Medical Imaging Technology Co., Ltd. (Tokyo) – Booth 7935. TFT Sensor and CsI (Tl) Scintillator for Flat Panel X-Ray Detector. <http://www.yमितech.com/>

The technical exhibition hours of RSNA 2015 are from 10:00 a.m. to 5:00 p.m. from Sunday, November 29th to Wednesday, December 2, and from 10:00 a.m. to 2:00 p.m. on Thursday, December 3.

Over 55,000 attendees are expected to visit the roughly 650 exhibitors at the show and see some of the latest breakthroughs in medical imaging and other technological advancements. Please come and visit our Japan Pavilion during the show! If you would like any additional information, or if you are interested in scheduling a meeting with any of our exhibiting companies, please contact Stephen Vullo at (312) 832-6000 ext. 212, or at Stephen_Vullo@jetro.go.jp. Thank you!

Contact JETRO Chicago • www.jetro.org

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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.

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