

# JETRO Chicago Midwest NEWSLETTER

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## Four Japanese Robotics Companies to Exhibit in JETRO Zone at CES 2015

JETRO Chicago will feature four Japanese robotics companies at the **2015 International Consumer Electronics Show (CES) in Las Vegas, Nevada from January 6-9, 2015**. With more than 150,000 attendees from more than 140 countries, the International CES showcases more than 3,500 exhibitors, including manufacturers, developers and suppliers of consumer technology hardware, content, technology delivery systems and more.

Due to the continual growth in size of the International CES, JETRO Chicago will be exhibiting in the Sands Expo (CES Tech West) with other leading technology innovators. Located within the Robotics TechZone, the JETRO Zone can be found at Booth #72843.

Two companies will be exhibiting with JETRO Chicago for their first CES experience; **Miraisens, Inc.** and **Yukai Engineering**. Miraisens has developed the world's first 3D-Haptics technology which realizes the experience of tactile and kinesthetic feeling by digital technology as if touching real

**See "CES" on page 7**

## Cross-Border Innovation and Opportunities



### From the Chief Executive Director

*Ichiro Soné*  
Chief Executive Director,  
JETRO Chicago

In 2014, three Japan-born scientists won the Nobel Prize in Physics for inventing blue LEDs, which triggered a transformation of lighting technology when they produced bright blue light from semiconductors in the 90s. The invention of efficient blue light-emitting diodes led to energy-saving white light sources.

One of the recipients, Dr. Shuji Nakamura, is now Professor of Materials and Electrical and Computer Engineering at the University of California, Santa Barbara, showing that innovation and opportunity can transcend borders.

In November, I was able to see some prime examples of cross-border innovation and opportunities when I visited three Illinois global companies to express our gratitude for their investments in Japan and to hear about their success stories directly from their executives. I would like to describe these three visits, one in Illinois and two in Japan.

First, I visited Molex Inc. in Lisle, the leader in a \$53 billion global electronic connector market, and met Mr. David D. Johnson, Executive Vice President, Treasurer and Chief Financial Officer. The company was founded in 1938 and its first export destination was Japan because the founder believed that Japan was the most promising market for the electronics industry. In 1970, it established a joint venture subsidiary in Japan, then a wholly-owned unit in 1973. Now they have approximately 2,000 employees in Japan. Its headquarters and a large R&D center are located in Kanagawa Prefecture's Yamato City and they have plants in Kagoshima and Shizuoka.

Mr. Johnson emphasized the strength of its Japan operation comes from three main factors: (1) Molex's Japan unit is the best in the world among the company's global operations when it comes to developing and producing micro-miniature connectors. He said that such products can only be produced in Japan, and their importance is increasing due to demand from the consumer electronics industry for such products to make devices such as smart phones. Therefore, the

**See "Chief Executive Director," page 8**

## Governor Reflects on Japan-Nebraska Partnership



### Guest View

*Dave Heineman*  
Governor,  
State of Nebraska

With my tenure as Governor of Nebraska coming to an end, it has been an honor and a privilege to lead our state's growing engagement with the world. As I move on, my deepest gratitude goes to the nation of Japan for being a close partner in international trade and a key collaborator in education, research and cultural understanding.

Japan continues to be a key trade and investment partner for Nebraska. Ranking as the state's 4th largest export market in 2013 with merchandise

exports of more than \$566 million. In 2014, we are seeing even greater exports with almost \$300 million halfway through the year. Since 2009, exports to Japan have grown by 36%... a trend throughout the past decade that we don't see that stopping any time soon.

The State of Nebraska invested in its future with Japan by opening the Nebraska Center Japan in 2006. The Nebraska Center Japan has been led by the irreplaceable Mr. Koji Nagasaka (Executive

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## JETRO Around the Midwest

### Seminars, Meetings and Events



*(Left) At the Japan America Society of Minnesota's 17th Annual Mondale Award and Scholarship Dinner on Saturday, November 1, William Mondale, son of Walter Mondale, greets Ichiro Soné, Chief Executive Director, JETRO Chicago.*



*(Right) On December 2, Ichiro Soné returned to Minneapolis to meet with former U.S. Vice President and Ambassador to Japan, Walter Mondale.*



*Ichiro Soné visited with Donald Jacobs, Dean Emeritus of the Kellogg School of Management at Northwestern University, on Tuesday, October 28, in Evanston, Illinois.*



*On November 13, JETRO representatives paid a visit to the Original Equipment Suppliers Association (OESA) office in Troy, Michigan. Above, from left, Ichiro Soné; Margaret Baxter, Senior Vice President, OESA; Julie Fream, President and CEO, OESA; Tsuneyuki Kato, Executive Vice President, JETRO; Hidemi Saito, Michigan Correspondent, JETRO; and Kohei Okui, Director of Business Development, JETRO Chicago.*



*Takeda Pharmaceutical Co., Ltd was presented an award at the America-Israel Chamber of Commerce Chicago Annual Dinner. From left to right: Dr. Tetsuyuki Maruyama, Head of Pharma Research, Takeda; Ichiro Soné, Chief Executive Director, JETRO Chicago; Yariv Becher, Consul, Consulate General of Israel in Chicago; Dr. Graeme R. Martin, President of Takeda Ventures, Inc.*



*Ichiro Soné (bottom right) visited Northwestern University to speak before the Japan Club of the Kellogg School of Management, on Tuesday, October 21.*



*Above: JETRO Chicago's Ichiro Soné makes a presentation to the Japan America Society of Minnesota Corporate Roundtable on Wednesday, December 3.*



*At left, Mr. Soné is welcomed by Kathleen Motzenbecker, Executive Director, Minnesota Trade Office.*



*During a November 7 visit to Macomb, Illinois, JETRO Chicago was given a tour of the NTN-Bower Corporation by the Mayor and others. Above, from left: Kim Pierce, Macomb Area Economic Development Corp.; Michael Inman, Mayor of Macomb; Kunio Kamo, President, NTN-Bower Corp.; Ichiro Soné, Chief Executive Director, JETRO Chicago; Gary Bergman, Vice President of Manufacturing, NTN-Bower; Steven Hensley, Controller, NTN-Bower Corp.; Ralph Inforzato, JETRO Chicago.*



*Doug Woods, President of The Association For Manufacturing Technology (AMT) welcomes Ichiro Soné to IMTS 2014 in Chicago on September 12.*



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## Seymour, Indiana Mayor Nurtures Successful Relationship with Japan



### Guest View

**Craig Luedeman**  
Mayor,  
Seymour, Indiana

One of my best friends during my days at Seymour High School in the early 1990s was a Japanese guy, whose father had been transferred here to work with one of the local industries. Little did I know that 20+ years

later, we would meet up again in Japan ... him now a successful attorney in Tokyo and me serving my 2nd term as Mayor of the City of Seymour, Indiana.

I did not comprehend the importance of business relationships between the U.S. and Japan when I was in high school; I just knew that he was a pretty cool guy and fun to be around. I also was not totally aware of the impact that Japanese companies were having on my hometown, but I was sure glad that my friend was living in Seymour.

I mentioned this is my second term as Mayor of Seymour, and this fall marked my 5th trip to Japan in the past 7 years and, trust me, I



Mayor Luedeman (right), speaking with executives of O&K Company Limited during a reception in Nagoya.

now understand the importance of those relationships and the effect Japanese investment has had on Seymour and all of South Central Indiana.

Seymour is located on Interstate 65, one hour south of Indianapolis, Indiana and an hour

north of Louisville, Kentucky. It is that location that helped us attract the first U.S. manufacturing operation of Aisin Seiki. That was in 1986, and today, Aisin employs more than 2,000 associates at their 5 locations in Seymour and Jackson County. Aisin U.S.A. Manufacturing has 2 locations in Seymour: Aisin Holdings of America has their corporate office here; and

two other Aisin companies, Aisin Drivetrain, Inc. and Aisin Chemical of Indiana, have found homes in the small community of Crothersville, which is located in southern Jackson County.

In addition, Seymour Tubing (whose parent company is Nippon Steel and Sumikin Pipe Co. with support from Mitsui and Co., Ltd.) is located here, as is a joint venture between Cummins and Komatsu (CKEC) to produce engines. O&K American established their 2nd U.S. manufacturing operation in Seymour in 2009.

All together, these companies employ nearly 3,000 of our workers and, as importantly, are excellent corporate citizens that support activities to make Seymour a great place to live and work. We are truly blessed and thankful, and I believe it is very important that we make frequent visits to Tokyo, Nagoya, Osaka and other locales to meet with executives of these companies to build on our relationships.

My latest trip to Japan in October 2014 was as part of our South Central Indiana regional marketing trip. This group includes a 10-county region that extends along I-65, I-64 and I-74. All told, our region is home to more than 50 Japanese companies which employ over 16,000 workers. Total population in our region is more than 480,000 and we have seen continued growth in the manufacturing sector that has lowered our unemployment rate to less than 6%.

Indiana Secretary of Commerce Victor Smith joined our group, as did a number of private companies that do business with our Japanese companies. "Friends of South Central Indiana" receptions were well-attended in Tokyo and Nagoya, and Secretary Smith spoke of the many benefits of doing business in our region. We are confident that additional



The Indiana delegation visits JETRO Tokyo. From left: Columbus, Indiana City Council President Jim Lienhoop; Indiana Secretary of Commerce Victor Smith; Tsuneyuki Kato, Executive Vice President, JETRO; Seymour, Indiana Mayor Craig Luedeman; and North Vernon, Indiana Mayor Harold Campbell.

See "Guest View: Seymour," page 7

## Monozukuri Seminar to Return to Novi, Michigan, March 5, 2015

In April 2007, JETRO Chicago initiated a series of seminars on the theme of Monozukuri to promote better understanding and enhance collaboration between the North American and Japanese automotive supplier communities. Since that time, JETRO Chicago has organized Monozukuri seminars across the Midwest, South, and Ontario, Canada.

The theme of Monozukuri – the spirit and quest for manufacturing excellence – has been presented as a catalyst to foster innovation, collaboration, interaction, and cooperation with Japanese manufacturers, and to share insights on the manufacturing philosophies and production processes in Japan.

On Thursday, March 5, 2015, a tenth series seminar focusing on Monozukuri in localization trends among Japanese companies will be held at the Platinum Ballroom, Suburban Collection Showplace in Novi, Michigan, just outside of Detroit. The afternoon seminar will feature a keynote speaker from DENSO International America, Inc., followed by a panel session of Japanese and U.S. suppliers. The seminar will conclude with a networking reception.

Further seminar and registration details will be announced in January 2015. Seminar registration will be free of charge. For additional information, please contact Kevin Kalb, Project Coordinator at [Kevin\\_Kalb@jetro.go.jp](mailto:Kevin_Kalb@jetro.go.jp).

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## JETRO Tea Buyers Mission Provides Opportunity for The Green Teaist



### Guest View

**Joseph Stellner**  
General Manager,  
The Green Teaist, LLC

At The Green Teaist, we are passionate about sharing the exquisite flavor and beneficial qualities of the finest green teas of Japan. Since 2008, our goal has been to serve the perfectly prepared cup of green tea for our patrons to the Salon de Thé Vert

et L'Atelier in Lake Forest, Illinois. Procuring the freshest, most authentic and delicious teas of superior quality is of the utmost importance to our commitment of providing an excellent tea experience for our guests. Being selected to participate in the JETRO Tea Buyers Mission this past November was certainly a wonderful opportunity and I was honored to represent TGT at this event.

Through the gracious sponsorship of JETRO, I had the opportunity to visit Shizuoka and Kagoshima, two famous tea producing regions in Japan. Travelling through the countryside, my colleagues and I marveled at the beautifully manicured tea fields blanketing the landscape. Touring the tea farms provided our group many insights and deepened our appreciation of the centuries old tradition of tea cultivation in Japan. While at an organic production facility, we had the chance to observe tea being processed through the final stages, which produced a wonderful, delicate aroma that I will not soon forget. The excursion to Ochiai Cutlery Company, a manufacturer of an impressive array of tea harvesting equipment, was very educational and provided much information regarding the modern technology utilized to maximize green tea crops. At Takoman Confectionery Company, sampling the delectable sweets produced there was a wonderful treat. Not only was my sweet tooth tempted by the variety of European style cakes, traditional wagashi and other local favorites offered, but my interest was also piqued by the assortment of desserts featuring green tea as an ingredient. Providing a delicate and complementing flavor as well as natural, yet vibrant color, these special confections showcase the essence of a superior green tea and that special *je ne sais quoi* that it brings when used as a culinary ingredient.

Of course, the most invaluable experiences during the Tea Buyers Mission emanated from the individualized meetings with local tea growers and suppliers. During the course of the summit, I had the unique opportunity to personally meet with representatives from over 20 different tea companies. Local merchants and producers were eager to share tastings and samplings of their offerings while highlighting the special qualities which differentiate their products in the marketplace. Through the assistance of interpreters provided by JETRO, we were able to make real and lasting connections which will serve to strengthen the business partnership on all sides of the tea trade. Representatives graciously answered questions from the tea buyers regarding their products and it was a pleasure to have the opportunity to share my

perspective on sourcing and purchasing green tea in the international market with the suppliers. Participating in the mission was also a wonderful opportunity to develop connections with the other American and European tea buyers in attendance. The opportunity to share knowledge and forge relationships in this unique and exceptional way will undoubtedly be an incredible asset to The Green Teaist in our continuing business endeavors.

I am grateful to JETRO for the many treasures gleaned during my trip to Japan attending the Tea Buyers Mission. The majestic vistas of the landscape have left a beautiful impression in my mind's eye. The hospitality I experienced during the trip has left a warmth in my spirit. I have returned with a rejuvenated inspiration to share with as many as possible the purity,



*A tea farm on a hillside in Shizuoka, Japan*



*Joseph Stellner is shown a tea harvester at Ochiai Cutlery Company.*

harmony and sense of well-being that accompanies the experience of partaking in the finest green teas of Japan.

### We're moving up!

In mid-February, please adjust your address book to reflect the JETRO Chicago office move up to **Suite 3350**. Our street address of 1 East Wacker Drive, Chicago, Illinois 60601 remains the same, as do all phone numbers and extensions. Thanks!

### Contact JETRO Chicago • [www.jetro.org](http://www.jetro.org)

**JETRO Chicago** is located at 1 East Wacker Drive, Suite 600, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066

For general information, call the number above, or for a specific inquiry, use the form at [www.jetro.org](http://www.jetro.org) (select "Contact JETRO" from the menu bar at left).



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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*Tea Buyers Mission members at Takoman Confectionery Company production facility*



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## The Kakehashi Project – The Bridge for Tomorrow



### Guest View

**Mari Maruyama**  
Vice President, The  
Laurasian Institution

In November, JETRO Chicago hosted a delegation from Hosei University in Tokyo. The group was participating in the Kakehashi Project, a 10-day study tour of the United States. The presentation at JETRO included information about

their efforts promoting trade & investment, the impact of Abenomics and a demonstration of Paro, the therapy robot. The Hosei students appreciated learning about the efforts of Japanese and Americans working on U.S.-Japan economic relations here in the U.S. At the same time, five other universities were visiting other Chicago organizations, including the law firm of Barnes and Thornburg, Rotary International and the Sullivan Gallery—all providing a glimpse into possible career paths for these students.

These six university groups visiting Chicago represented 150 of the 2,300 Japanese youths, from junior high school students to young professionals participating in the Kakehashi Project—A Bridge to the Future. American participants of similar ages and numbers have visited Japan on reciprocal study tours. To date, nearly 4,000 students have crossed the Pacific as Kakehashi participants.

The program is a fully-funded, large-scale youth exchange program between Japan and the United States. It is promoted by the Japanese Ministry of Foreign Affairs and commissioned by the Japan-U.S. Educational Commission (Fulbright Japan). The Japan Foundation coordinates Kakehashi in cooperation with The Laurasian Institution in Seattle and the Japan International Cooperation Center in Tokyo.

Kakehashi aims to heighten interest in Japan and increase the number of overseas visitors to the country, as well as enhance international understanding of Japan's strengths and attractiveness. This is accomplished through one-hour presentations prepared by each school group. Topics have included information about their home prefecture, city and school life as well as sharing Japanese contemporary culture from the youths' perspectives.

The program also seeks to promote deeper mutual understanding among the youth of the U.S. and Japan, develop future leaders of U.S.-Japan exchanges, and help young people develop wider perspectives to encourage active roles at the global level. These goals are accomplished by making presentations at multiple schools, meeting various professionals who are engaged in U.S.-Japan activities, and interacting with members of cultural or civil society organizations in each of the communities they visit.

To prepare the Japanese participants to interact in an educationally meaningful manner, they attend a pre-departure orientation in Tokyo and an arrival orientation in the U.S. At the arrival orientation, students practice their presentations and consider questions they might pose to individuals they are scheduled to meet.

In the middle of their study tour, each group travels to a different host community in order to experience a three-day, two-night homestay. When possible, students shadow their host brothers & sisters at school and make presentations in Japanese language and other classes. Each host school organizes a community wide event at which the students may present again. Community leaders and media are often in attendance, giving the

*On November 13, students from Hosei University in Tokyo visited JETRO Chicago. Project Coordinator Robert Corder made a presentation on Japan's economy, the importance of foreign direct investment and JETRO's role in promoting trade.*



Japanese language program and host institution enhanced exposure to the community at large about their international activities.

Interspersed among the visits to schools, businesses and cultural centers, participants also visit some of the major local attractions and sample local cuisine to round out their experiences in the United States.

The current cycle of the Kakehashi Project concludes March 2015. The final study tours will take place in several cities in March including Washington, DC, Los Angeles, Portland, San Francisco, and Seattle. If you know of anyone who might be interested in nurturing youth by giving young Japanese the opportunity to share their perspectives about Japan as well as speak to them about their organizations and career paths, please contact The Laurasian Institution at [tlkakehashi@laurasian.org](mailto:tlkakehashi@laurasian.org).

### Results of JETRO's 2014 Survey on Business Conditions of Japanese-Affiliated Firms in the U.S. and Canada are released

From September 3, 2014 through October 17, 2014, the Japan External Trade Organization (JETRO) conducted its latest surveys on Japanese-affiliated firms (manufacturers in the U.S. and both manufacturers and non-manufacturers in Canada). 669 valid replies were received from firms in the U.S. (a 65.8% response rate) out of 1,016 to whom we sent questionnaires, while 136 replies were received for the Canada survey (a 58.4% response rate) out of 233. The questions covered areas including:

1. Status of operations
2. Future business outlook
3. Responses to changing business environment

Among the many findings in the survey, Japanese manufacturers in the U.S. indicate the following:

- **Business confidence:** Confidence levels have risen. More than 80% of firms expect surplus in business profit in 2014. In 2014, Japanese manufacturers operating in the U.S. showed even higher business confidence than the previous year. Approximately 60% of firms intend to expand their business in one or two years, which was a slight increase compared to that of the previous year.
- **Sales in U.S. strengthened:** Approximately 80% of products manufactured in the U.S. were for domestic sales. More than half of firms intend to continue increasing sales in America.

A detailed news release, that includes much more information and additional findings, is available at:  
<http://www.jetro.go.jp/en/news/releases/20141127540-news>.

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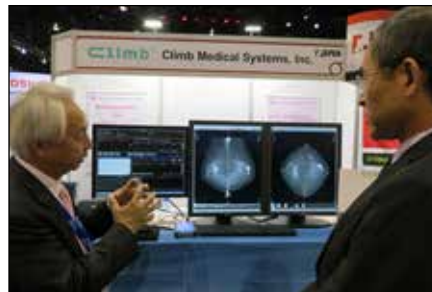
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## Seven Japanese Exhibitors Enjoy Successful RSNA Experience



JETRO Chicago successfully hosted our Japan Pavilion at RSNA 2014. Seven companies exhibited with us, including three first-time exhibitors. First-timers comprised 101 out of the 636 exhibits at the show, nearly 16%. Total RSNA attendance reached 56,030 people, an increase of 5% over 2013.

The exhibitors had 256 business matching meetings, 56 of which are expected to result in a contract. All of the exhibitors were very satisfied with their experiences. We thank all the attendees and exhibitors who took the time to visit the Japan Pavilion.



### Guest View: Gov. Heineman ... from page 1

Director) and Ms. Hisami Imagawa, (Office Manager) who have been involved since its inception. Along with Mr. Bumppei Kawanaka, honorary attaché for the Kansai area of Japan for more than 20 years, they all have served Nebraska extremely well. The office has been instrumental in identifying opportunities for both Nebraska and Japanese companies, as well as continuing our two strong sister city relationships: Hastings with Ozu and Omaha with Shizuoka. Their work with great Japanese organizations, led by the Japan External Trade Organization (JETRO), has made the bond between Nebraska and Japan as strong as ever.

Nebraska is honored to have more than 30 Japanese-owned businesses located here. The oldest and most recognizable investment is Kawasaki Motor Manufacturing, which is celebrating 40 years of manufacturing in Lincoln this year. Their contributions to the city and the state of Nebraska have been outstanding.

In fact, Japan has historically been the number one country for foreign investment into the state. Which is why the citizens of Nebraska are excited and honored to be hosting the 50th Anniversary of the prestigious Midwest U.S.-Japan Association Conference in 2018 and we extend an invitation to all company leaders to join us during what is sure to be a very memorable event.

I am confident that Nebraska and Japan will continue to enjoy a strong and enduring relationship under Nebraska Governor-elect Pete Ricketts and I wish Gov. Ricketts and the people of both Nebraska and Japan tremendous success in the years to come.

### “Abenomics” Program Held in Chicago

On Thursday, December 4, The International Business Council of the Illinois Chamber of Commerce, with The Consulate-General of Japan in Chicago and JETRO, presented a special luncheon program entitled, “Abenomics & the Japan-U.S. Economic Partnership.” Approximately 100 people attended the event, which was held at The Langham Hotel in downtown Chicago.

The program included welcoming remarks from Laura Ortega, Executive Director of the International Business Council, and keynote presentations from The Honorable Masaharu Yoshida, Consul General, Consulate-General of Japan in Chicago; Ichiro Soné, Chief Executive Director, JETRO Chicago; and David D. Johnson, Executive Vice President, Treasurer and Chief Financial Officer, Molex Incorporated. The Q&A session was moderated by William Delaney, Founder of Delaney Law and Chairman of the International Business Council.



Participants on the agenda of the December 4 program included (from left): Ichiro Soné, JETRO Chicago; Consul General Masaharu Yoshida; Laura Ortega, International Business Council of The Illinois Chamber of Commerce; Dave Johnson, Molex Incorporated; and William Delaney, Delaney Law and Chairman of the International Business Council of The Illinois Chamber of Commerce.



Ichiro Soné addresses the December 4 conference.



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physical objects. When you apply the 3D feedback gesture technology to robot control, you'll feel like you are remotely touching and sensing the same things the robot is interacting with. This cutting edge technology has applications in robotics, 3D printing design work, medical, automotive, and entertainment/wearable devices.

**Yukai Engineering** will exhibit their communication robot BOCCO, which has the ability to connect to the internet via WiFi and has wireless proximity functionality for connecting with sensors. In addition to voice messaging with smartphones over the internet, BOCCO can relay information from sensors in your home to your smartphone. As a result, you can monitor your home and family while you are out and have fun sending messages to each other.

Two past exhibitors will join JETRO Chicago again at this year's CES, **Topy Industries, Ltd** and **Paro Robots U.S.** Topy Industries will exhibit their Crawler Robot, which is a small Unmanned Ground Vehicle that makes exploration possible in disaster areas and narrow spaces. The compact, ultra-lightweight, scalable design of the Crawler Robot offers superior mobility support, and with its high-traction rollers can climb steps of up to 1.3 times the crawler radius.

Paro Robots U.S. will bring the lovable, furry seal robot Paro to CES for the seventh consecutive year, as it continues to establish itself as a pioneering leader of Japanese service robotics. Paro is an advanced interactive robot that stimulates interaction between patients and caregivers, and has been found to reduce patient stress, improving their relaxation and motivation. Paro has five kinds of sensors: tactile, light, audition, temperature, and posture sensors to perceive people and its environment.

For questions or inquiries about the companies exhibiting in the JETRO Zone at the International CES Show, please contact Kevin Kalb at [Kevin\\_Kalb@jetro.go.jp](mailto:Kevin_Kalb@jetro.go.jp).

## Guest View: Seymour

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investment and jobs will result from this trip.

Spearheading the trip was Jim Plump, who has served as Executive Director of the Jackson County Industrial Development Corporation for more than 30 years. During his time in Seymour, Jim has made 25 trips to Japan and has been involved in the recruitment of all of our Japanese companies, as well as the retention and expansion of those companies.

In working with the JETRO office in Chicago, Jim suggested we plan a visit with the JETRO office in Tokyo. We were very pleased to receive an invitation to visit, and they welcomed our mission delegates to learn more about our region and to provide us important data that they have compiled on the Japanese economy. The officials, including Executive Vice President Tsuneyuki Kato and our friend, Tatsuhiro Shindo, who formerly was in the Chicago office of JETRO, were extremely helpful and their hospitality was much appreciated.

I should also point out that helping arrange this meeting was the Japan-America Society of Indiana (JASI), and its long-time Executive Director Theresa Kulczak. She has been a good friend to Seymour-Jackson County over the years and the State of Indiana is fortunate to have someone as talented as Theresa and an organization that is recognized as one of the top Japan-America Societies in the country.

## Japan Pavilion to Feature 17 Exhibitors at Home & Housewares Show

For the fourth time, JETRO will organize the Japan Pavilion at the International Home and Housewares Show (IH+HS), at Chicago's McCormick Place from March 7-10, 2015. The pavilion will feature 17 companies who will be showcasing the highest quality "Made in Japan" home goods items which include everything from traditional kitchen knives, beautiful tableware, artisan glassware, and woodenware to modern products that apply advanced Japanese technology to bring you eco-friendly, stylish, smart gadgets and housewares. This is the third time that JETRO will organize two pavilions (North & South Buildings) in order to accommodate the exhibitors and the vast array of products they have to offer.

Please access the following link for further information: [http://www.housewares.org/HousewaresConnect365/Detail?com\\_uid=80053](http://www.housewares.org/HousewaresConnect365/Detail?com_uid=80053)

### Exhibitors include:

**Wired Beans**, Glasswares, <http://mono.wiredbeans.jp/en/>

**Kodai Sangyo**, Cutting Board, Japanese Cypress Products, <http://www.kodaimokuty.co.jp/en/>

**SAN-YOSHI**, Bento Box, Plates etc., <http://www.owanya.com>

**Kotodo Takahashi Corporation**, Tea Canister, <http://www.kotodocan.com>

**WASARA Co., Ltd.**, Disposable Plates, Cups made by eco-friendly materials, <http://wasara.jp/e/>

**Daisaku Shoji Ltd.**, Vacume Packing, Flashlight, Cooling Product, <http://www.daisaku-shoji.co.jp/en>

**Fuji Cutlery Co., Ltd.**, Knives, <http://www.tojiro-japan.com>

**YOSHIKAWA CORPORATION.**, Pot, Wok, kitchen tools etc, <http://www.yoshikawa-group.co.jp/e/kitchen/top/top.htm>

**TAKENAKA**, Bento Box, <http://www.takenaka-bentobox.com>

**Ishikawa Jyushi Co., Ltd.**, Plastic Cups, <http://www.ishikawajyushi.net>

**SUNCRAFT COMPANY LIMITED**, Knives, Peelers, <http://www.suncraft.co.jp/>

**TAKEDA CORPORATION Co., LTD.**, Disposable Heat Pack, <http://www.takeda.jp>

**Prairiedog America**, Bags, <http://www.prairiedog.com/index.php/en>

**B.H.P. Industries Co., Ltd.**, Kitchen Scissors, Peelers, <http://www.bhasin.co.jp/english/index.html>

**Hasegawa Kogyo Co., Ltd.**, Stepstools, <http://www.hasegawa-kogyo.co.jp/en/>

**IDEA CO., LTD**, Trashcans, <http://www.ideaco-web.com/eng/>

**HATTORI PAPER MFG.**, Electrolyzed water cleaning products, <http://www.hattoripaper.co.jp>

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company's Micro Product HQ, one of three Global Product HQs, is in Japan. (2) Molex Japan also has the most expertise in advanced assembly automation. Its innovation in the field has overcome Japan's relatively high labor costs and contributed to the development of its plants in other countries. (3) Finally, Molex's Japan operations include its most effective new product design center. Mr. Johnson praised the work ethic and dedication of their Japanese staff.

I believe that it is a very natural conclusion for Molex to have its Global HQ in Japan, especially when one considers the fact that over 50% of Apple's iPhone5 components were supplied by Japanese companies, according to media reports.

Mr. Johnson kindly made a great presentation on December 4 about Molex's success in Japan at the "Abenomics & the Japan-US Economics Partnerships" luncheon, along with Consul-General Masaharu Yoshida and me, presented by the Illinois Chamber of Commerce.

My second inspiring visit was to Boeing Japan in Tokyo, where I met with its President, Mr. George L. Maffeo. He stressed Boeing's long history in Japan of over 60 years. The title of its corporate brochure is "Made with Japan." The "Made with Japan" aspect of Boeing has long been a source of its products' differentiation and competitive advantage. The brochure quotes its Chairman, President and CEO Mr. Jim McInerney saying, "We cannot imagine a Boeing commercial aircraft without Japanese involvement."

Boeing's Japanese partners were entrusted with the manufacture of 16% of the 767 airframe, which rose to 21% of the 777 and 35% of the 787 Dreamliner. Mitsubishi Heavy Industries Ltd. was awarded the design and manufacturing of the 787 wing, which marked the first time that Boeing sourced such a critical component outside of the company.

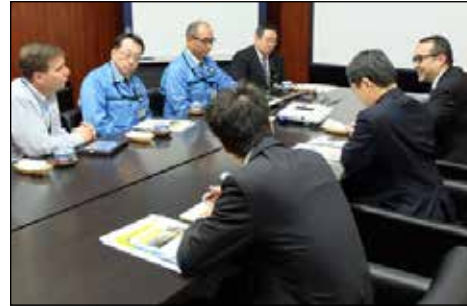
Japan is Boeing's second-largest source of goods and services following the U.S. It spent \$4.3 billion in 2013, and it estimates that spending could grow to over \$5 billion by 2015. According to media reports in November 2014, Japan's Toray Industries, Inc. will become the sole supplier of carbon fiber for Boeing's 777X next generation passenger jet in addition to the 787 Dreamliner. Orders are expected to exceed \$8.6 billion for both planes.

The demand for commercial airplanes is predicted to double over the next 20 years. To achieve that in a sustainable manner, the aviation industry is committed to carbon-neutral growth by 2020, and to halving the amount of CO2 it produces annually by the year 2050 compared with 2005 levels. This includes the development of the 787 Dreamliner, which reduces CO2 emissions by 20-25%, demonstrating the viability of sustainable alternative fuels. Japan is truly an integral part of these efforts. I was amazed to find out the tremendous amount of R&D Boeing carries out in Japan by working closely with its partner companies, leading universities and so on.

Last but not least, I visited Caterpillar Japan Ltd's., Akashi Plant in Hyogo Prefecture and met Mr. Steven F. Shoemaker, Chief Engineer and Managing Director, along with his team.

JETRO assisted Caterpillar this past year with its application for the Japanese Government's incentive and subsidy program on R&D Investment. That all started when Mr. Shoemaker kindly made time in his busy schedule on his way back to Japan to meet with me and my colleague Ralph Inforzato at Chicago O'Hare International Airport in early 2014.

Caterpillar also has over 50 years of history in Japan. It started a joint venture company with Mitsubishi Heavy Industries Ltd., in 1963. Then



*Meeting at Caterpillar Japan Ltd. From Left: S. Shoemaker, Chief Engineer and Managing Director, K. Numata, Operating Director, T. Hashimoto, Engineering Manager and K. Morita of Caterpillar Japan Ltd. with I. Soné, JETRO Chicago, H. Yamada, Chief Director, JETRO Kobe and T. Hirabayashi, JETRO Kobe.*

Mitsubishi's hydraulic excavator division merged with it in 1987 and it became a 100%-owned Caterpillar group company in 2012. It now has approximately 2,900 employees in Japan with a Tokyo office and two plants (Sagami Plant in Kanagawa Prefecture and Akashi Plant in Hyogo Prefecture), as well as its Chichibu Demonstration Center in Saitama Prefecture. It also has a separate sales company with about 3,100 employees.

I was quite impressed with Caterpillar's huge plant and R&D Center with 1,000 workers, which is as big as five baseball stadiums. Significantly, the facility is the company's global hydraulic excavators R&D HQ and mother plant, where its global market information and operation data are comprehensively analyzed and development concepts are planned. Design specifications are worked out by repeated simulation analysis and inspections by component tests using design tools and a vast amount of accumulated know-how. Engineering drawings created using these processes are sent to each Caterpillar plant around the world and common design specifications are used for manufacturing.

Some 70% of the hydraulic excavators shipped from the Akashi Plant are supplied worldwide, to Asia, Oceania, Europe, the Middle East, Africa and Central and South America, as well as to North America. The volume of exports grows steadily each year. The Akashi Plant also acts as a base to supply main components to plants overseas.

It might be hard for some people to believe that Boeing's huge passenger plane wing and Caterpillar's massive hydraulic excavators are produced in a country with high labor costs like Japan and shipped overseas, but these products are true examples of the high-tech, state of the art and cutting-edge products. They show how manufacturing for R&D-intensive, integrated processes has really remained in Japan, thanks to the capability of engineers and the country's strong supplier base -- not just big companies, but also many small and medium-sized companies.

In fact, Nobel Prize recipient Dr. Nakamura was an engineer at a company called Nichia Corporation when he invented blue LEDs. Nichia is now a major manufacturer, but it was much smaller at the time of his discovery. This is an excellent example of Japanese small and medium-sized companies' capability and commitment to R&D. These companies are also a source of great innovation.

Along with Japan, the U.S. Midwest is one of the centers of advanced manufacturing in the world. I sincerely hope that JETRO can help more of the Midwest's companies understand Japan's strengths so they can expand their operations and invest successfully in Japan to be more competitive in their global businesses. We at JETRO are always here to assist you with your investment by helping you open a sales office, expand your operations and give you advice on M&A in Japan.