

Japan External Trade Organization

1 East Wacker Drive, Suite 600

Chicago, IL 60601

Phone: 312-832-6000

Fax: 312-832-6066

www.jetro.org

JETRO Chicago Midwest

NEWSLETTER

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

In this issue ...

- *JETRO Around the Midwest ... page 2*
- *Japan's Robotics Innovation to be Showcased at CES 2014 ... page 3*
- *Guest View: Strengthening U.S.-Japan Ties ... page 6*
- *Enhance your Japan visit with "Industrial Tourism" Options ... page 6*

JETRO Seminar brings "Mindset of Monozukuri" to Alabama

The southeastern region of the United States has experienced an increasing amount of Japanese investment, including Honda Manufacturing of Alabama, LLC (Lincoln) and Toyota Motor Manufacturing Alabama, Inc. (Huntsville), which is one of the key reasons why JETRO held its seminar, the Mindset of Monozukuri, focused on the automotive industry, in Birmingham, Alabama on October 24. It was the first time that the concept of Monozukuri was presented in Alabama with the objective that Japanese and American manufacturers having philosophies in manufacturing excellence can share their best practices, resulting in deeper understanding of sustaining a culture of human talent for the manufacturing community.

The seminar was attended by approximately 120 people including many members of the various southeast automotive associations, Greg Canfield, Secretary of Commerce for the State of Alabama, The Honorable Kazuo Sunaga, Consul-General of Japan in Atlanta, members of the Japan America Society of Alabama, and business executives from throughout the United States.

The State of Alabama continues to attract attention as an investment destination for global manufacturers. Japanese automotive companies continue to have strong sales in

See "Monozukuri," page 4

Examining JETRO's Record of Success



From the Chief Executive Director

Ichiro Soné
Chief Executive Director,
JETRO Chicago

First of all, I would like to offer my sincere sympathy to the people living in the regions hit by the severe storms and tornadoes in Illinois, Indiana and Missouri in November. Some Japanese companies also suffered damage. I do hope that everyone affected will recover soon.

I would now like to turn my attention to Japan, and discuss business opportunities there.

JETRO has been tapped to play a significant

role in realizing the growth strategy/Japan Revitalization Strategy that comprises the so-called "third arrow" of Prime Minister Abe's economic policy (aka "Abenomics"). Promoting foreign direct investment (FDI) in Japan is one of JETRO's most important tasks, as the Japanese government has set the challenging goal of doubling inward FDI in Japan by 2020.

Central governments all over the world as well as local governments in every state are now intensely competing for FDI. I would like to belie the stereotype of the humble Japanese, and state that JETRO is one of the most effective organizations in this area. We have over 1,064 client companies that successfully established their operations in Japan over the past decade, and about one-third of them (318) are U.S. companies.

Recent notable U.S. clients include Abercrombie & Fitch, FOREVER21, Salesforce.com, SUNPOWER, TESLA, and Vera Bradley. Many more major U.S. companies in Japan were once our clients, such as Amazon.com, Costco, and Texas Instruments, for which we either assisted initial entry or secondary expansion in Japan. In the automotive industry, DURA Automotive Systems, Cooper Standard Automotive, and Miniature Precision Components are among our clients.

Why do U.S. companies invest in Japan? It's because Japan can help them expand their business. A foothold in Japan is different from setting up operations in emerging countries to procure cheaper labor, which might take away local U.S. jobs. Expanding your business in Japan could bring more jobs for your U.S. operations. With the eyes of the world now on emerging Asia, U.S.

See "Chief Executive Director," page 8

Top Tips on Understanding & Enjoying Sake



Guest View

Timothy Sullivan
Founder,
UrbanSake.com

Since I began teaching about sake in 2005, I've come to learn a thing or two about sake that are key to understanding this magical drink. Here are some of my top tips on understanding and enjoying sake.

1. Sake is Japanese Culture in a Cup

Right off the bat, it is important to understand that sake is deeply connected to Japanese culture. I call it "Japanese Culture in a Cup." Sake is known in Japan as the "drink of the gods" and it

has deep ties to religion, ceremony, traditions and everyday social interaction. Get to know sake, and you'll get to know Japan. Like so much in Japanese culture, on the surface, sake may seem

See "Guest View," on page 7

In this issue ...

- JETRO Seminar brings "Mindset of Monozukuri" to Alabama ... page 1
- Top Tips on Understanding & Enjoying Sake ... page 1

- Guest View: Strengthening U.S.-Japan Ties ... page 6
- Enhance your Japan visit with "Industrial Tourism" Options ... page 6
- Back to Page 1



JETRO Around the Midwest

Seminars, Meetings and Events



On October 23, JETRO staff enjoyed a tour of Honda Manufacturing of Alabama, LLC on a visit to the plant in Lincoln, Alabama.



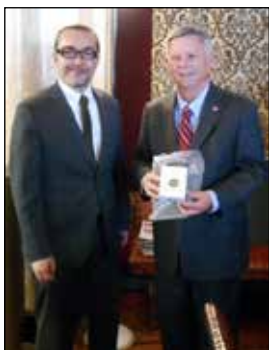
JETRO Chicago had a successful trip to the Robotics Alley Conference and Exhibition in St. Paul, Minnesota on November 12 and 13. Above left, Minnesota Secretary of State Mark Ritchie holds the robot seal PARO and is greeted by Robert Corder of JETRO Chicago. Above right, Robert Corder gives a television interview. At right, University of Minnesota Mascot, Goldy the Gopher joins PARO and JETRO Chicago's Ralph Inforzato at the conference.



On Friday, October 18, a group of graduate students from Northern Illinois University's College of Business visited JETRO Chicago to learn more about Japan. Professor Harry Lepinske (far left) accompanied the students. Robert Corder talked about Japanese economics & business and JETRO's role in promoting trade and investment. The presentation included information on Japan's unique business culture as well as an introduction to PARO, the therapy robot.



JETRO Chicago's Japan Pavilion at the Radiological Society of North America convention (RSNA) had 6 exhibiting companies. The Pavilion hosted over 200 meetings, with at least 30 likely to lead to some sale or contract. All exhibitors were satisfied with the event and grateful for JETRO's support. RSNA ran from Dec. 1st-5th and is one of McCormick Place's largest events.



JETRO Chicago's Ichiro Soné meets with Governor Dave Heineman of Nebraska during an October 10 visit to the Governor's office.

At right, Ichiro Soné greets Governor Jay Nixon of Missouri at an October 16 luncheon in Chicago.



At a December 5 meeting of the Original Equipment Suppliers Association (OESA) in Chicago, Ichiro Soné greeted Julie A. Fream, the organization's recently appointed President and Chief Executive Officer.

In this issue ...

- *JETRO Seminar brings "Mindset of Monozukuri" to Alabama ... page 1*
- *Top Tips on Understanding & Enjoying Sake ... page 1*

- *Guest View: Strengthening U.S.-Japan Ties ... page 6*
- *Enhance your Japan visit with "Industrial Tourism" Options ... page 6*
- **Back to Page 1**

Japan's Robotics Innovation to be Showcased at CES 2014

JETRO Chicago will organize a Robotics Innovation Showcase at the 2014 International Consumer Electronics Show (CES), taking place from January 7-10, 2014, in Las Vegas, Nevada. The Innovation Showcase will be located within the Robotics TechZone in South Hall One of the Las Vegas Convention Center, located at Booth 21862.

The Robotics Innovation Showcase at CES 2014 will feature five leading-edge robotics companies from Japan. These companies are seeking new business opportunities and partnerships in the US market. Exhibitors will include:

- **Azapa Company Ltd.** (www.azapa-usa.com) is developing P2P local network technology that can be applied to robot-to-robot communication. This technology would connect robots instantaneously, allowing them to communicate. The P2P network technology would allow users to communicate with each other during an emergency in areas where cellular service does not work, and also has automotive applications.
- **Cerevo Inc.** (<http://dash.cerevo.com/projects/4/>) will be exhibiting the Wall Bot, a small wheeled robot that can drive up walls. The Wall Bot can be remotely operated using Android devices, a Bluetooth-enabled remote control, or even a Nintendo Wii controller. Cerevo will also feature OTTO, a smart power strip that has multiple power outlets and can accommodate large AC adapters and cables. Each of the outlets can be connected to the internet via Ethernet or WiFi, allowing users to control each device remotely with a PC or smartphone.
- **Kiluck Corporation** (www.rapiro.com) is the manufacturer of RAPIRO, a cute, affordable and easy to assemble humanoid robot kit. RAPIRO comes with 12 servos and an Arduino-compatible servo control board, and is designed to work with the Raspberry Pi single board computer. RAPIRO can walk, grip a pen, and turn its head and waist.

- **PARO Robots U.S., Inc.** (www.parorobots.com) will exhibit the therapeutic robot PARO. Designed to look like a baby harp seal, PARO is used throughout the US in nursing homes and elderly care institutions, especially for patients with Alzheimer's or dementia. PARO stimulates positive interaction between patients and caregivers, therefore reducing stress of both the patients and caregivers. PARO has five types of sensors, and has the ability to remember verbal and physical commands.
- **Topy Industries, Ltd.** (www.topy.co.jp/english/index.html) is creator of the Crawler Robot, a small unmanned ground vehicle designed for exploration of 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, it can climb steps of up to 1.3 times the crawler radius.



In addition to the exhibition, the inventor of the therapeutic robot PARO, Dr. Takanori Shibata, Chief Senior Research Scientist at Japan's National Institute of Advanced Industrial Science and Technology (AIST), will participate in a panel session entitled "Many Robots in Every Home: Meet the Purveyors of the New Robotics" on Thursday, January 9, from 11:15 a.m. - 1:00 p.m. in LVCC North Hall N260, as part of the 2014 International CES Conference.

For business and media inquiries about the exhibiting companies, or to schedule a meeting with one of the Japanese exhibitors during CES 2014, contact Kevin Kalb, at kevin_kalb@jetro.go.jp. You can follow JETRO's robotics Twitter feed, @jetrousa_robot. For more information about the 2014 International Consumer Electronics Show, visit www.cesweb.org.

JETRO publishes results of 2013 Survey on Business Conditions of Japanese-Affiliated Firms in the U.S. and Canada

From September 6, 2013 through October 18, 2013, the Japan External Trade Organization (JETRO) conducted its latest survey on Japanese-affiliated firms (manufacturers in the U.S. and both manufacturers and non-manufacturers in Canada). 661 valid replies were received from firms in the US (a 65.8% response rate) out of 1,005 to whom we sent questionnaires, while 126 replies were received for the Canada survey (a 66.7% response rate) out of 189. The question items covered areas including: 1. Status of operations; 2. Future business outlook; 3. Responses to changing business environment.

The Survey provides insight on projected growth, areas of growth and concerns about the economy.

A JETRO press release provides details of the Survey's results. You can find it at <http://www.jetro.go.jp/en/news/releases/20131121140-news>.

JETRO introduces the Invest Japan Hotline

Among the ways JETRO supports foreign companies are: giving consultations regarding administrative procedures required for FDI into Japan; arranging meetings with officials of regulatory agencies where needed; and by relaying requests for regulatory reforms to the Japanese government.

Your local JETRO office, including JETRO Chicago, can assist you in some of these matters, but it is also worth becoming familiar with the Invest Japan Hotline. With one call to Japan, you can get quick turnaround on consultations regarding investing in Japan and regulatory reform requests. Service is available in languages other than Japanese.

To learn more about this service, including the contact phone number and web inquiry form, visit <http://www.jetro.go.jp/en/invest/hotline>.

In this issue ...

- From the Chief Executive Director ... page 1
- Top Tips on Understanding & Enjoying Sake ... page 1

- Japan's Robotics Innovation to be Showcased at CES 2014 ... page 3
- Guest View: Strengthening U.S.-Japan Ties ... page 6
- Back to Page 1

Monozukuri ... from page 1



Speakers' Group Photo: (Standing from Left) Ichiro Soné, JETRO Chicago; Donna Russell-Kubr, PTM Corp.; Ted Kawashima, Japan Auto Parts Industries Association; Glenn Stevenson, Original Equipment Suppliers Assn.; Tate Godfrey, Northern Alabama Industrial Development Authority; Ron Davis, Alabama Automotive Manufacturers Association; Keiichi Kimura, JETRO Atlanta; (Sitting from Left): Charlie Russell, PTM Corp.; Mark Brazeal, Toyota Motor Manufacturing, Alabama, Inc.; Tadayuki Nagashima, JETRO Tokyo; Greg Canfield, Secretary of Commerce, State of Alabama; The Honorable Kazuo Sunaga, Consul-General of Japan in Atlanta; Tom Shoupe, Honda Manufacturing of Alabama LLC; Melanie Hart, TASUS Corporation.

North America and they are expanding their investment in the southern United States. Japanese investment in Alabama, Georgia, North Carolina and South Carolina is just over \$23.7 billion and Japan ranks in the top ten of export markets for these states.

Additionally, just this year Honda launched mass production of the Acura MDX luxury SUV in Alabama, transferred from the company's Canadian facility. The South has also become an active investment destination for Japanese automotive parts companies. For example, Japanese automotive parts manufacturers like the TASUS Corporation, whose President Melanie Hart was a presenter at our seminar, announced that her company just invested \$8 million to complete a new injection molding facility in Florence, Alabama. This new TASUS plant opened on October 29 just a week after our seminar.

Stressing the Need of a Manufacturing Philosophy



Tadayuki Nagashima

Traveling from Tokyo, JETRO's Executive Vice President Tadayuki Nagashima began the Monozukuri seminar by explaining the current status of Japan's automotive industry in the United States. He said the philosophy for Japan's automotive companies is based on the idea of, "local production for local consumption," which continues to progress as production by overseas Japanese companies has exceeded by 1.5 times their production volume in Japan. In the United States during 2012, Japanese automotive companies have produced 3.3

million cars, a 37% increase in production from the previous year. Japanese automotive related investment in the United States has currently reached 3.5 trillion yen, which, Mr. Nagashima indicated accounts for 390,000 employees working in these plants.

Indispensable in the production process are the ideas or mindset that companies have for "manufacturing" which is described as a requirement to produce a product of high quality for each and every step of the design and production process. Good products are born and the ideas that are the foundation for manufacturing is respect for the customers. In addition, Mr. Nagashima said that as Japanese companies continue to invest in the South, it is indispensable that both, Japanese and American companies share their philosophies of Monozukuri on a business-to-business basis.

Honda Manufacturing and Toyota Motor Manufacturing introduced their "Mindset of Manufacturing"



Tom Shoupe

Tom Shoupe, President, Honda Manufacturing of Alabama, LLC, said the basic principle for making a product is dependent on the people involved in the production process. Mr. Shoupe said that each Honda employee is not merely working for the sake of work, they are working to achieve their own personal satisfaction and are motivated to enhance the well-being of their families. He quoted Soichiro Honda, the founder of Honda Motor Company, Ltd., who said, "work for yourself, not for the company. Associates should use Honda to

pursue their own dreams." Honda is committed to fulfilling the dreams of its associates through the concept of "hito-zukuri," (human resource development) which was introduced in the presentation. This concept is essential to sustaining a high level of motivation and skills development for associates. In a sense, this was the timeframe when Honda was creating the foundation of Monozukuri for its associates in North America.

Importantly, Mr. Shoupe added that there has been such strong global demand for Honda vehicles that it has developed their US manufacturing presence into an export platform to countries around the world. Honda now exports more from the U.S. than it imports from Japan. He said that exports are forecast to exceed 100,000 vehicles for 2013.



Mark Brazeal

Mark Brazeal, General Manager, Toyota Motor Manufacturing, Alabama, Inc., gave a thorough analysis of the company's practices of Monozukuri. His company produces engines that are in eight of the twelve Toyota vehicles built in North America. Mr. Brazeal said that the key to creating and sustaining a Monozukuri production culture is passion.

He said that passion for your work comes from core sets of values: Respect for People and Continuous Improvement, which are the hallmarks of the Toyota Way.

Mr. Brazeal showed as an example how the Toyota Way met the challenge of overcoming the supply chain crisis created by The Great East Japan Earthquake (March 2011). He said that from mid-April to June 2011 production was reduced to 30%. However, utilizing the Toyota Way, 100% production levels were resumed by September 2011. All plants were kept open and no-layoffs occurred during this time. Even when devastating tornadoes hit Alabama in late April, Toyota Motor Manufacturing was forced to close because of electric power outages. Toyota employee teams quickly initiated community service actions to help several counties that surround their facility. By early July, they completed 26,000 hours of service to these communities. Mr. Brazeal indicated that Toyota's concepts of respect for people and continuous improvement always apply to the communities that Toyota is part of.

In this issue ...

- From the Chief Executive Director ... page 1
- Top Tips on Understanding & Enjoying Sake ... page 1

- Japan's Robotics Innovation to be Showcased at CES 2014 ... page 3
- Guest View: Strengthening U.S.-Japan Ties ... page 6
- Back to Page 1

Monozukuri ... continued from page 4



Melanie Hart

Melanie Hart, President of TASUS Corporation, (Tsuchiya Automotive Systems) began the automotive supplier panel. Ms. Hart is the first American female to lead a Japanese Tier 1 supplier in North America. TASUS,

headquartered in Bloomington, IN, also has facilities in Florence, AL, Georgetown, TX, and Hamilton, Ontario. Ms. Hart said, as did the representatives from Honda and Toyota, that Monozukuri for TASUS is having a strong respect for people, meaning respect for customers, suppliers, employees and the community. She said that, "TASUS is fully committed to our customers and our employees, they are the most important people in our business and we are completely dependent upon them."

She added, "TASUS's customers and employees are not seen as an interruption to work, they are seen as the purpose of our work; they are never considered outsiders to our business, they are in fact the most important part of our business and these are the very people who bring us their needs, it is our commitment to satisfy those needs and to do so profitably for them."



Donna Russell-Kuhr and Charles Russell

PTM Corporation (Fair Haven, MI), Founder and President Charles (Charlie) T. Russell, and his daughter, Donna Russell-Kuhr, Vice President, spoke next.

Growing up in rural Mississippi, Mr. Russell's family were cotton farmers. Mr. Russell said that, "rain or shine my Dad always had work for us to do. I was not a good cotton picker and while the rest of the family finished picking their rows, I was still in the middle of the field." He said, even as a boy I was always fixing something and I liked working on mechanical things." Mr. Russell developed this passion for making things and improving upon existing parts and components into a company in 1972. In 2013, PTM Corporation is on a 70 acre campus and has become a family operated, world class supply chain partner for stamped and assembled components. Mr. Russell and Ms. Russell-Kuhr emphasized that PTM's sense of Monozukuri is its employees that are totally committed to quality design, prototype, build and production. They said that there is a great need for human resource development in the automotive industry. There has been a lack of on-the-job training technical programs offered by state and local governments which are greatly needed to help create job skills for the next generation of employees. It is now a crisis situation. Ms. Russell-Kuhr said that automotive parts companies must make an effort to communicate how interesting it is to work inside a manufacturing company. "We have to visit the middle schools," she said and tell them they can work with us.

Alabama and Japan



Greg Canfield

Prior to the seminar, JETRO organized a luncheon for the speakers and attendees. During his opening remarks, Greg Canfield, Secretary of Commerce for the

State of Alabama said that the state has been building a good relationship with Japanese companies. He said that 138 Japanese companies are located in Alabama. This Mindset of Monozukuri seminar is important because it conveys a cultural understanding of how companies practice quality programs. Mr. Canfield also said that Japan is a large export market for Alabama.



Ichiro Soné

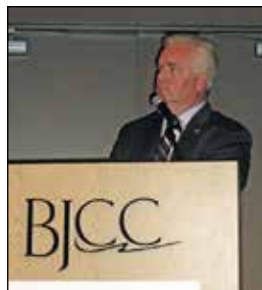
The activities in the United States by Japanese companies, the latest trends in the Japanese economy including the growth strategy of the Abe administration, and the role JETRO plays were topics explained during a luncheon presentation by Ichiro Soné, Chief Executive Director of JETRO Chicago. Mr. Soné also talked about the Trans-Pacific Partnership Agreement and how Japan perceives this type of large-scale free trade agreement.

Mr. Soné also noted the importance of the Japan-Alabama relationship, indicating that Japan is the largest foreign investor in the state and that Japanese companies have invested approximately \$3 billion in manufacturing plants and employ just over 14,000 people in Alabama. He said, "cooperation with companies in the southern United States with Japanese companies remains important in the future."

This report was prepared by Kohei Okui, Director of Business Development, JETRO Chicago, and Ralph Inforzato, Director of Business Development, JETRO Chicago.



Tate Godfrey, President & CEO, North Alabama Industrial Development Association (NAIDA)



Glenn Stevens, Senior Vice President, Original Equipment Suppliers Association (OESA)



The Honorable Kazuo Sunaga, Consul-General of Japan in Atlanta



Ron Davis, President, Alabama Automotive Manufacturers Association (AAMA)



Ted Kawashima, Director, Japan Auto Parts Industries Association (JAPIA), North America

In this issue ...

- JETRO Seminar brings “Mindset of Monozukuri” to Alabama ... page 1
- Top Tips on Understanding & Enjoying Sake ... page 1
- JETRO Around the Midwest ... page 2
- Japan’s Robotics Innovation to be Showcased at CES 2014 ... page 3
- Back to Page 1

Strengthening U.S.-Japan Ties through People-to-People Relations



Guest View

Irene Hirano Inouye
President,
U.S.-Japan Council

As President of the U.S.-Japan Council (USJC), I would like to take this opportunity to introduce you to our activities and the TOMODACHI Initiative. I believe that our goals are relevant to readers of JETRO Chicago's

Midwest Newsletter, because we are both committed to strengthening ties between the United States and Japan.

USJC is a non-profit educational organization that contributes to strengthening U.S.-Japan relations by bringing together diverse leadership, engaging stakeholders and exploring issues that benefit communities, businesses and government entities on both sides of the Pacific.

One of our cornerstone activities is the TOMODACHI Initiative, which is led jointly by the U.S. Embassy in Tokyo and USJC. The Initiative is a public-private partnership, born out of support for Japan's recovery from The Great East Japan Earthquake, that invests in the next generation of Japanese and American leaders through educational and cultural exchanges as well as entrepreneurship and leadership programs. The Initiative seeks to foster a “TOMODACHI generation” of young American and Japanese leaders who are committed to and engaged in strengthening U.S.-Japan relations, appreciate each other's countries and cultures and possess the global skills and mindsets needed to contribute to and thrive in a more cooperative, prosperous and secure world.

Although we founded the Initiative two years ago with the goal of helping youth in the Tohoku region, we have since grown exponentially in both volume and variety. We now have approximately fifty programs that focus on young professionals as well as high school students; center on subjects that range from sports and music to NPO leadership; and invite participants from all across the United States and Japan.

The Midwest features as both a destination for Japanese program participants and the home of American program participants. The St. Louis-Ishinomaki Grassroots Exchange Program is a cultural exchange program between the titular cities, and some of the participants of the TOMODACHI Coca-Cola Educational Homestay Program visited Missouri and Minnesota. Leadership development programs like the TOMODACHI Emerging Leaders Program and the TOMODACHI Mitsui & Co. Leadership Program (in which Mr. Robert Corder of JETRO Chicago participated) included young professionals from the Midwest. The TOMODACHI Tsunami Relief Volunteer Project was a collaborative volunteer experience between students from Ohio University and Iwate prefecture to help victims of the 2011 disaster.

USJC promotes people-to-people relations as crucial to a strong U.S.-Japan relationship, and the Midwest is central to this mission. Recognizing the catalytic role of Japanese Americans in U.S.-Japan relations, the Council cultivates a national network of Japanese American leaders known as Council Members. We have a very active membership in Chicago, including Mr. Dayne Kono, Director and Vice-President of Masuda, Funai, Eifert & Mitchell, Ltd., who is a Member of our Board of Directors. Dr. Marion Friebus-Flaman, who is School Principal at the Thomas Dooley Elementary School, is a Council Member. The Japanese Ministry of Foreign Affairs and USJC invited Dr. Friebus-Flaman as a delegate on the Japanese American Leadership Development (JALD) Program, where select Japanese American leaders from across the United States travel to Japan. She was later also chosen to represent the Chicago region in an annual meeting that brought together Japanese American community leaders and Consuls General of Japan from all over the United States. USJC is proud to include in its membership such accomplished individuals from the Midwest.

We hope that you would join us in strengthening U.S.-Japan relations, by participating in TOMODACHI programs, hosting TOMODACHI participants from Japan, or joining any of the USJC activities. For more information, visit the USJC website at <http://www.usjapanCouncil.org/> and the TOMODACHI website at <http://usjapanTomodachi.org/>.

Enhance your visit to Japan ... JETRO provides an online guide to “Industrial Tourism” Options

Whether your next visit to Japan is to see existing facilities, for a trade show, or to meet with potential partners, there are great ways to enhance your trip by exploring the world of industrial tourism in Japan!

Enjoy factory tours, plant tours, craft centers, industrial museums, farm tours, brewery tours and more. From cutting edge technology to traditionally crafted artisanal goods, Japanese producers excel at the art of creation. See the process, taste the results and meet the people who make Japan such a fascinating and innovative place.

JETRO provides an online guide to sites throughout Japan. Some are more like museums, others are in-depth examinations of manufacturing operations. Check it out while you're planning your itinerary. Find it at https://www.jetro.go.jp/en/ind_tourism/.



In this issue ...

- From the Chief Executive Director ... page 1
- JETRO Seminar brings "Mindset of Monozukuri" to Alabama ... page 1

- JETRO Around the Midwest ... page 2
- Japan's Robotics Innovation to be Showcased at CES 2014 ... page 3
- Back to Page 1

Guest View: Sullivan ... from page 1

simple, restrained or perhaps even plain, but dig a little deeper and you'll discover a vast and colorful world of styles, tastes, methods and lore – and a devoted group of acolytes, committed to the quiet pursuit of perfection.

2. Pair Sake With More Than Just Sushi

For better or for worse, America's omnipresent sushi restaurants are where almost all of us get our first exposure to sake. This has led some to conclude that sake should only be served with raw fish. In reality, nothing could be further from the truth. Sake pairs beautifully with a stunningly wide array of cuisines and dishes. Some of the top restaurants in the world have sake on their wine lists. Give premium sake a try with any of your favorite dishes – roast beef, pizza or even Thanksgiving dinner... There is a sake you can pair up with any of these. Experiment and enjoy!

3. Avoid Heat and Light When Storing Sake

Heat and light are the enemies of sake. If you want to extend the shelf life of your sake, keep it in a cool, dark place. If you have room in there, the refrigerator is the obvious choice! Pasteurized sake does not need to be refrigerated, but it is always a better option if you're able to. Please note that those yummy unpasteurized "nama" sakes must be refrigerated at all times. Oh, and don't patronize that liquor shop that puts all their sake on display in the front window. That's literally not cool.

4. Experiment With Serving Temperature

What is the correct serving temperature for sake? Hot? Cold? In between? In a nutshell, there is no strict right and wrong in serving temperature as both warm and chilled sake can be wonderful. It's all about finding the right sake for the right temperature for your palate. In general, fragrant, floral and aromatic sakes are best for serving slightly chilled as that will enhance their aroma. And again, in general, full bodied, robust and dry sakes tend to be a great choice for warming as that brings forward the alcohol notes on the palate and will suppress aroma. But whatever temperature you pick, it's good to note that sake is so flexible in this area. You can drink it warm when you come in from shoveling snow, or drink it cold to escape the summer heat. Serving temperature is actually sake's secret weapon in the battle of the alcoholic beverages.

5. To Thy Own Palate Be True: Drink Whatever Sakes You Enjoy!

Last but not least is the true Golden Rule of the sake world. Never forget that, at its core, sake is about enjoyment and having fun. Be sure to give yourself permission not to worry too much about pairing rules, milling rates or serving temperature. You can simply start out by finding a sake you like and really enjoying it – simple as that. If you want to dive deeper down the road, you can certainly geek out with me about all the classifications and regions and rice types of the sake world, but none of that really matters for sake's most basic function: to bring people together for having fun. Trust your own likes and drink whichever sakes speak to you regardless of price, reviews or expert recommendations. Simply put: "To thy own palate be true."

"Sake of Japan" introduces widest variety of alcohol products ever to Chicago's professionals

On October 30th, JETRO welcomed producers, importers and distributors of Japanese sake, shochu, whiskey, plum liquor and beer from all over Japan to meet food & beverage industry professionals in Chicago. The tasting and seminar event included 20 exhibitor tables and offered samples of over 115 varieties of alcohol products from Japan. The event was attended by more than 175 guests who also had the opportunity to hear Sake Samurai **Timothy Sullivan**, founder of UrbanSake.com in New York, speak on both the production and types of sake, and how to present and sell sake to customers.



Attendees sample and discuss an exhibitor's products at Sake of Japan.



A Sake of Japan attendee discusses an exhibitor's products.



Timothy Sullivan, Founder of UrbanSake.com, speaks at Sake of Japan.



An exhibitor pours a sample for an attendee at Sake of Japan.

Contact JETRO Chicago • 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 (select "Contact JETRO" from the menu bar at left).

For Invest-in-Japan and robotics information contact Kevin Kalb, at kevin_kalb@jetro.go.jp.

Follow @jetrorobot on Twitter.

For biotech information, contact Robert Corder, at robert_corder@jetro.go.jp



In this issue ...

- JETRO Seminar brings "Mindset of Monozukuri" to Alabama ... page 1
- Top Tips on Understanding & Enjoying Sake ... page 1

- Japan's Robotics Innovation to be Showcased at CES 2014 ... page 3
- Guest View: Strengthening U.S.-Japan Ties ... page 6
- Back to Page 1

Chief Executive Director ... from page 1

companies regard Japan as a gateway to Asia due to its strong ties with the region.

Taking a cue from Abenomics' three arrows, I'd like to say that Japan offers U.S. companies the following three "windows" to view opportunities:

1st Window: Innovation Hub

Japan boasts large numbers of leading global companies and small & medium enterprises (SMEs) with proprietary technologies which support global firms. With their high-level technologies and R&D capabilities, Japanese firms create diverse added-value and intellectual properties. Partnerships with Japanese companies enable U.S. companies to leverage their respective talents, which is vital to remaining globally competitive. Japanese companies emphasize enhancing product development and manufacturing efficiency, making Japan the ideal arena for innovation.

The manufacturing dynamic in Asia has changed. Low-cost manufacturing has shifted to emerging economies such as China and India (from the U.S. and Japan alike). Manufacturing for R&D-intensive, integrated processes has remained in Japan. Factors include strong R&D capabilities, advanced manufacturing processes and intricate component configurations (molding and components expertise). Integrated device manufacturers use Japan as a test market, prior to Asian and global launches. Asian operations are now more than a manufacturing strategy. Companies must view these moves as part of their larger Strategic operations.

This is true for American auto-parts and components companies as well. Some of them start their businesses with Japanese OEM or Tier 1 companies in the U.S., and would then like to set up their operations in Japan to work with them for the Japanese market and beyond.

2nd Window: Business Platform

Japan plays an important role as a "bridge nation," connecting Asia and the world which contributes to Asia's growth. Japan offers some of the best facilities in terms of advanced infrastructure (ICT infrastructure) as well as basic infrastructure (electricity, gas and water). Japan also offers a safe, secure and comfortable living environment.

3rd Window: Trend Setter

Japan is one of the world's largest economies. Japanese consumers are early adopters and move fast to stay on the cutting edge of the latest technologies. Among Asian countries, including China and India, Japan is a trendsetter in consumer products, from fashion to high-tech products.

The level of performance expected by Japanese consumers and industrial customers is very high. Most companies in Japan listen carefully to client demands when developing new products, and their close communication with demanding customers allows them to shorten the development cycle and produce value-added products. In fact, many products in common use around the world originated in Japan. Japan therefore is an ideal test market for new products and services.

If you plan to set up an operation in Japan, JETRO is the first place to contact. We can provide you with hands-on assistance at Invest Japan Business Support Centers (IBSC), temporary office space in Japan, business consultation, market research, human resource assistance, business matching and so on. Also, we can assist in your site selection for your operations all over Japan with our extensive network of 39 domestic offices, including Tokyo and Osaka. We work closely with local governments, so we can help you take advantage of the investment

incentives they provide. Best of all, our services are basically free of charge, because JETRO is a non-profit organization supported by the Japanese government.

The Japanese government is serious about promoting FDI. It offers good incentive programs for those setting up R&D facilities and Asian headquarters operations as well. Please, let us assist your business expansion in Japan.

I emphasized how Japanese firms can create diverse added-values and intellectual properties. I would like to share with you some interesting facts. This is from a column in the "2012 White Paper on International Economy and Trade," published by the Ministry of International Trade and Industry (METI) of Japan:

"As a result of the international division of labor, final goods began to be produced by assembling intermediary goods produced by various countries. For example, iPhones of Apple, Inc. are produced in Chinese factories by assembling parts and components from various countries. On the back side of an iPhone, the wording "Designed by Apple in California Assembled in China" is used and does not contain the wording "Made in." Thus it has become less important which country a company belongs to or in which country a product was produced, and instead, it has become more important how many parts and components Japan can provide for production of international products such as iPhones. ... The discussion is intensifying on a value-added basis, not on a trade basis. That is, a study on a value-added basis, which shows where value-added is generated by inter-industry relations through trade, not in which country trade balance is a surplus, is carried out using the international inter-industry table. It started with the analysis by the Institute of Developing Economies of JETRO using the Asian international inter-industry table. The analysis showed the trade balance between the U.S. and China "would be less than half from 218 billion dollars to 101 billion dollars when it was calculated using trade in value-added approach and made adjustments related to export processing zones" instead of using a traditional approach in terms of the trade amount. iPhones are counted as exports from China, a final assembly site. Using trade in value-added approach, however, "while China itself accounted for less than 4% of the U.S. trade deficit with China for iPhones in 2009, Japan accounted for 35% or more of it."

Isn't that interesting? I'm proud to say that IDE-JETRO's "Trade in Value-added" method is highly recognized by the WTO and by scholars around the world.

Over the past couple of months, JETRO Chicago has been assisting Japanese SMEs' business expansion in the U.S. by participating in international trade shows in Chicago, such as WEFTEC 2013 (Oct. 5-9 - Water Environment Technology), FABTECH 2013 (Nov.18-21 - Metal Forming, Fabricating, Welding and Finishing) and RSNA 2013 (Dec. 1-6 - Radiology Technology).

The Japanese exhibitors emphasized the significance of participating in these events to showcase the high-tech, value-added technologies which set them apart from competitors from emerging countries. I strongly reaffirmed that Japan and the U.S. have a deep, interdependent relationship in the high-tech, value-added field, and we need to further encourage two-way trade and investment so that both Japanese and U.S. companies can hone their global competitive edge.

Finally, I want to send hopes that you had a great holiday season, and my best wishes for success in 2014. We look forward to helping your business in the new year.