

# JETRO Chicago Midwest NEWSLETTER

Japan External Trade Organization

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## Helping Japanese Cuisine Continue Its Growth and Popularity



**From the Chief Executive Director**

**Ichiro Soné**  
*Chief Executive Director,  
JETRO Chicago*

Summer is prime vacation season, so it is timely to note that Japan has become one of the most popular tourist destinations in the world. The number of visitors increased by a record 30% in

2014 from the previous year.

Japan's main attraction is its unique cuisine, according to 68.5 percent of visitors surveyed in a poll by the Japan Tourism Agency. Japanese cuisine is well-known for its quality, freshness, healthy ingredients, beautiful presentation and so on. Tokyo kept its title in 2015 as the Michelin guide's gourmet capital of the world, with the most starred restaurants for an eighth straight year. It was the first guide released since UNESCO listed "Washoku" (traditional Japanese cuisine) as "Intangible Cultural Heritage" (<http://www.unesco.org/culture/ich/RL/00869>). According to UNESCO, "Washoku plays an important role in strengthening social cohesion among the Japanese people while providing them a sense of identity and belonging."

Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) estimates that the number of Japanese restaurants in North America is approximately 17,000. The growing popularity of Japanese cuisine is a global phenomenon, and it's evident in the Midwest as well, as I've noticed since I came to Chicago two years ago. Sushi restaurants

See "Chief Executive Director," page 8

## Indiana and Japan: The Roots of Friendship Dig Deep



**Guest View**

**Mike Pence**  
*Governor,  
State of Indiana*

A century ago, Indiana's roots with Japan were just beginning to grow. In 100 years, Hoosiers and the Japanese people have come together, working as friends and partners with shared values and goals to develop a bond that

today is stronger than ever.

That's why when the time came to travel on my first overseas jobs mission as Indiana's governor, we chose to extend our roots in Japan. And at one of the trip's meetings, a meeting I'll never forget, I had the opportunity to see, quite literally, the roots of a legacy our leaders left for us so many years ago.

Today a tulip poplar stands tall in Ota City on the grounds of the Shigeru Company, the parent company of Heartland Automotive, which has facilities in Greencastle and Lafayette, Indiana. You see, the tulip poplar is Indiana's state tree, and Shigeru's chief executive officer watered this particular tree daily for 27 years. It soared high above us, planted by those who made this friendship possible. Standing in its shadow, we planted a black pine that day, which is Gunma Prefecture's state tree, and we committed to



*Governor Pence helping plant a black pine, Gunma Prefecture's state tree, on a 2013 trip to Japan.*

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## Guest View: JETRO an Important Partner, Supporter of Robot Revolution



**Guest View**

**Kathleen McCarthy**  
*Director of Collections  
& Head Curator,  
Museum of Science &  
Industry, Chicago IL*

*Robot Revolution*, a groundbreaking exhibition that introduces the public to a world where robots will fundamentally change how we live, work and play, premiered at the Museum of Science and Industry, Chicago (MSI) on May 21, 2015. This exhibition, developed and produced by MSI, gives the public an opportunity to interact with advanced robotics technology. Unprecedented in its scope, the exhibit contains more than 40 robots, most of which are operational and interactive for our guests.

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At an April 19 luncheon, Haruhiko Kuroda, Governor, Bank of Japan addressed the Economic Club of Minnesota. From left, Toshiyuki Iwado, Consul General of Japan in Chicago, Haruhiko Kuroda, and JETRO Chicago's Ichiro Soné.



On Thursday, June 4, The Japan-America Society of Indiana (JASI) held its annual Gala in Indianapolis. From left, Theresa Kulczak, Executive Director, Japan-America Society of Indiana; Mitoji Yabunaka, former Vice Minister for Foreign Affairs, Professor, Ritsumeikan University (and keynote speaker at the event); Ichiro Soné of JETRO Chicago; and Larry Ingraham, JASI Board of Directors.



Indiana Lt. Governor Sue Ellspermann, with Ichiro Soné, at the JASI Gala.



On June 4, Governor Mike Pence welcomed JETRO and others to his office in Indianapolis. (From left) Ralph Inforzato, JETRO Chicago; Theresa Kulczak, JASI; Keiko Ikemoto, Vice Consul, Consulate-General of Japan; Victor Smith, Secretary of Commerce, State of Indiana; The Honorable Toshiyuki Iwado, Consul General of Japan in Chicago; Pawel Fludzinski, Honorary Consul of Japan; Governor Mike Pence; Ichiro Soné, JETRO Chicago; Melanie Hart, Japan America Society of Indiana and Tsuchiya Group North America; Tom Easterday, Subaru of Indiana Automotive.



JETRO Chicago visited Nebraska on Wednesday, May 13. Above left: Ichiro Soné with Nebraska Governor Pete Ricketts. Above right: John A. Gale, Secretary of State, State of Nebraska presents Ichiro Soné and Ralph Inforzato certificates making them Honorary Citizens of the State of Nebraska.



In March, a group of students from DePaul University in Chicago participated in a 10-day Japan International Business Seminar. The trip focused on innovation and entrepreneurship in Japan and included company visits in Tokyo, Nagoya, Osaka and Kyoto. In Nagoya, the group met with Dragi Trifunovich, Sales & Marketing Director at Mitsubishi Aircraft Corporation, who led them on a tour of the new factory where the Mitsubishi Regional Jet (MRJ) is being manufactured. Here the students are shown at the Mitsubishi Aircraft Museum, also in Nagoya.



On June 11, Ichiro Soné met with Taizo Mikazuki, Governor of Shiga Prefecture (center), and Kazuyuki Katayama, Consul General of Japan in Detroit, at the Consul General's residence.



On July 8, Ralph Inforzato and Ichiro Soné of JETRO Chicago met with Jose Antonio Peral, Trade & Investment Commissioner of the Chicago office of ProMexico, and Lucia Aguilar, Deputy Trade and Investment Commissioner. Mr. Peral is leaving ProMexico in Chicago for a new assignment in Mexico

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## Guest View: McCarthy ... from page 1

*Robot Revolution* was five years in the making. JETRO Chicago was one of the Museum's earliest partners for the exhibit. In January 2010, I had the great pleasure of meeting the JETRO Chicago staff at the Consumer Electronics Show (CES) in Las Vegas. I went to do initial research on robotics and followed up with them after returning to Chicago. Several months later, JETRO Chicago arranged a research trip for the Museum to Japan. We visited universities and a wide range of companies in Tokyo, Tsukuba, Nagoya, Kitakyushu and Osaka. We returned later that year with JETRO Chicago to attend the International Robot Exhibition (IREX) and have a second round of meetings.



*PARO gets attention from a guest.*

The first robot the Museum purchased for *Robot Revolution* was PARO, a Japanese therapeutic companion robot developed by Dr. Takanori Shibata, National Institute of Advanced Industrial Science and Technology (AIST). The exhibit contains many engaging robots from Japanese companies including FANUC, Hibot, Murata, Muscle Corporation, TOPY and

Yaskawa Motoman. Among these are a dual-armed robot that plays cards with our guests and a robotic baby seal that responds to a guest's touch.

The groundbreaking work in vision systems by Dr. Masatoshi Ishikawa, University of Tokyo, is featured in the exhibit's video section, *Into the Labs*. Here visitors get a behind-the-scenes look at how robots are developed in top research facilities from around the world. Dr. Ishikawa is also part of the exhibit's advisory group of robotic experts sponsored by IEEE RAS. He visited the Museum early in the exhibit's development.



*From left, Takuyuki Kawachi, JETRO Chicago; Tomonori Shibahara, Deputy Director, JETRO (formerly of JETRO Chicago); Shingo Tsukui, TOPY; Masamichi Takabashi, TOPY; Tatsuhiro Shindo, Director-General, Creative Industries Promotion Division, JETRO (formerly of JETRO Chicago); and Kevin Kalb, JETRO Chicago at the TOPY display at Robot Revolution.*



*MURATA GIRL and BOY are displayed with videos that demonstrate their advanced technology and capabilities.*

The involvement and encouragement of JETRO Chicago at the start of this very big exhibit project was instrumental to its success. They introduced us to many potential robot sources and were able to provide insight on the Museum to Japanese companies considering participation in the exhibit. We also received generous support

from ITA, Inc. to help us secure Japanese robots for the exhibit. Operating more than 40 robots every day poses incredible technical challenges. Ongoing partnerships with the companies we met through JETRO and ITA will support its success during its display in Chicago until January 3, 2016 and as it travels to other major science museums in the U.S.

Equally important to the technical and logistical support we received from JETRO Chicago was the deep "Kizuna," or bonds of friendship we developed during this project. We were honored that Mr. Tatsuhiro Shindo and Mr. Tomonori Shibahara, who worked with us at the beginning of the project were able to travel to Chicago from Japan to join Mr. Ichiro Soné and his staff for the exhibit ribbon cutting celebration at the Museum. We look forward to continuing to work with JETRO in the future.



*The Yume Robot from Muscle Corporation shows off its technology while climbing a ladder at the entrance to the exhibit.*



*Guests watch as the FANUC robot quickly sorts colored candies.*

a year and has been the top field trip destination in Chicago for the past six years. In addition to its famed interactive exhibits, the Museum's Center for the Advancement of Science Education (CASE) offers a variety of student, teacher and family programs.



*Guests can test their card playing skills with the Yaskawa Motoman robot.*

*Photographs by J.B. Spector, Museum of Science and Industry, Chicago.*

**Recommend the JETRO Chicago Midwest Newsletter to a colleague, so they can keep up with the latest news, events and ideas that are helping Midwest companies develop businesses in Japan and with Japanese companies. For a FREE subscription delivered quarterly via e-mail, send name, title, company/organization name, address, phone number and e-mail address to [Kelly\\_Highland@jetro.go.jp](mailto:Kelly_Highland@jetro.go.jp)**

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## Spotlight on Regenerative Medicine in Japan at 2015 BIO Convention



The Japan Pavilion at the 2015 BIO Convention (BIO 2015) was a flurry of activity as people from around the world visited the booth, eager to learn more about Japan's life science sector. Many visitors were interested in learning about

Japan's new strategy for regenerative medicine, which the Japanese government is aggressively pursuing.

Twenty Japanese companies participated in JETRO's mission to BIO 2015, held June 15-18 in Philadelphia. Over three days, the Japanese delegates participated in more than 500 one-on-one partnering meetings. As a result of these meetings, 46 business deals are anticipated, valued at more than \$1.3 Million. Five companies exhibited in the Japan Pavilion for the first time and had an especially busy week:



- **BioComo Inc.**, which is developing new technologies to prevent pathogenic infections and malignant tumors
- **MicroBiopharm Japan**, a drug discovery and manufacturing firm, utilizing proprietary fermentation technology
- **Oncolys BioPharma Inc.**, a clinical-stage biotechnology company focusing on the drugs to treat HIV, hepatitis C and cancer
- **Pharma Foods International**, which develops innovative functional food ingredients and nutraceuticals
- **Pola Pharma**, part of the Pola Orbis Group, which focuses on cosmetic dermatology



*Hidetaka Nishimura, speaking at the Global Innovation Hub.*

On Wednesday, June 17, the Japan Pavilion participated in the Exhibitor's Hospitality Reception. More than 400 people visited the Japan Pavilion in the late afternoon to sample Japanese sake and meet with the Japanese exhibitors.

During the convention, Hidetaka Nishimura, Director of the Bio-Industry Division at Japan's Ministry of Economy, Trade and Industry (METI), participated in the Global Innovation Hub Spotlight program. The room was filled to capacity as more

than 60 people turned out for Mr. Nishimura's briefing on Japan's efforts to accelerate regenerative medicine. As a part of Prime Minister Shinzo Abe's economic revitalization plan, new laws have been enacted to speed the process of development and commercialization for innovative regenerative therapies. Japan now has the shortest approval time in the world for pioneering regenerative medicine procedures.



*Martina Molsbergen, C14 Consulting Group*

JETRO Chicago also organized a partnering workshop for the Japanese delegates. Representatives from AbbVie and Cook Regentec detailed the therapy areas they are focused on, explained how they have cooperated and collaborated with other firms, and detailed the process for connecting with them. In addition, Martina Molsbergen of C14 Consulting shared her experiences working in business development and strategic alliance management at BioWa, a subsidiary of Kyowa Hakko Kogyo (KHK).

Look for the Japan Pavilion next year in June when the BIO Convention returns to San Francisco. For more information on Japan's life science industry and the new regulations for regenerative medicine, contact Robert Corder at JETRO Chicago.



*Ichiro Soné of JETRO Chicago, Brad King of Cook Regentec, Rob Lyles of Cook Regentec, and Tatsubiro Shindo of JETRO.*

*JETRO Partnering Workshop – Exhibitors meeting with Adam Houghton, AbbVie Inc.*



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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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## New Help for Setting Up Your Business in Japan

### Introducing the Tokyo One-Stop Business Establishment Center

In April 2015 the Japanese Government and the Tokyo Metropolitan Government together launched the Tokyo One-Stop Business Establishment Center on the 7th floor of JETRO Headquarters in Tokyo.

This is the first center in Japan that has integrated the procedures for establishing business by overseas-affiliated or venture companies in one location. Through face-to-face consultation, well-versed staff members and experts in this field assist with a wide range of administrative procedures required when forming a legal entity and starting operations in Tokyo, including corporate registration, taxes, pension, social insurance and immigration control. At the request of these companies, the center will also provide interpretation and translation services in multiple languages.



Inside the Tokyo One-Stop Business Establishment Center

Within this center, contact points of two related organizations were also opened. In the "Business Development Center Tokyo," bilingual consultants will help business matching and matters concerning

life for individual workers of overseas companies intending to start business in Tokyo. The "Tokyo Employment Consultation Center" helps non-Japanese firms or enterprises that have just established business accurately understand the employment rules in Japan and smoothly develop their operations.

JETRO operates the Invest Japan Business Support Center (IBSC) on the same floor as the Tokyo One-Stop Business Establishment Center. This enables overseas-affiliated firms to conduct all preparation and procedures for starting operation in Tokyo.

Overseas companies wishing to set up business in Tokyo can take full advantage of these centers. For detailed information, please contact the JETRO Chicago office, or visit the Tokyo One-Stop Business Establishment Center website at [http://www.seisakukikaku.metro.tokyo.jp/invest\\_tokyo/english/business-support/one-stop.html](http://www.seisakukikaku.metro.tokyo.jp/invest_tokyo/english/business-support/one-stop.html).



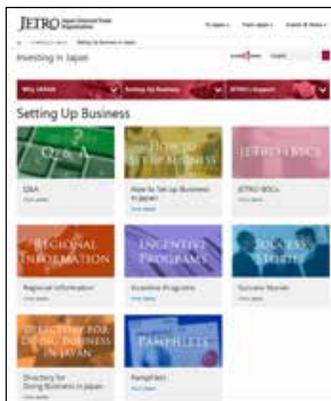
Tour of the center before the opening ceremony. From left to right, Tokyo Governor Yoichi Masuzoe, Prime Minister Shinzo Abe, State Minister of National Strategic Special Zones Shigeru Ishiba and JETRO Chairman Hiroyuki Isbige.

### Redesigned Website Provides Quick Access to Information

Getting information about setting up your business in Japan is now easier than ever. As part of their website design, the JETRO headquarters site has reorganized and added new information and links.

At the main "Setting Up Business" page (in the Investing in Japan area), you'll find large visual links to sections like:

- JETRO IBSC (Invest Japan Business Support Centers)
- Regional Information (including in-depth profiles of Japan's regions, highlighting major industries and clusters; living environment; and much more, for all prefectures and major cities)
- Incentive Programs
- Success Stories
- A selection of downloadable brochures and pamphlets
- A detailed directory for doing business in Japan where you can search online and locate professional services, schools, medical facilities and more, targeted to foreign business people setting up business in Japan.



Look for all of this and much more at:  
<http://www.jetro.go.jp/en/invest/menu2.html>.

### Japan Removes Residency Requirement to Set Up a Company

Earlier this spring, Japan's Ministry of Justice announced that they had abolished the requirement that at least one representative of a Japanese company must be a resident in Japan. The new guidelines took effect on March 16, 2015. This change is a part of Prime Minister Shinzo Abe's efforts to boost foreign direct investment into Japan.

There are three main options for setting up a corporation in Japan: Kabushiki Kaisha (KK), a joint stock company; Godo Kaisha (GK), similar to American LLCs; a registered branch office of foreign company. The rule change applies to KK and GK entities but not branch offices. Removing the residency requirement for branch offices would require an amendment to the Japan Companies Act.

Under the previous rule, the Ministry of Justice's Legal Affairs Bureau, the administrative office which approves incorporations, required that companies have at least one representative who resided in Japan. The old rule only specified that the representative be a full-time resident of Japan, not a Japanese citizen. It should be noted that this is change in the Ministry's internal procedure, not a change in law.

The residency requirement was seen by many as a hurdle for foreign firms considering investment in Japan. There still may be practical reasons for foreign companies to employ a Japanese resident as a representative director. For example, only legal residents of Japan can register a personal seal or inkan, which is used in place of signatures in Japan. An inkan is required for corporate registration as well as for opening bank accounts, signing lease documents and executing contracts. As a result, foreign start-ups may still need to either hire a Japanese resident or engage the services of a law firm or accounting company to assist with the initial set-up process.

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## Wide Diversity of Japan's Food and Beverage Products Showcased at Chicago Tasting Event

JETRO Chicago's most recent tasting and networking event for the food and beverage industry was held on June 16 at Kendall College. "Experience Japan, Chicago!" was one of the most diverse exhibitions JETRO has held for this sector, presenting 35 tables of products imported from Japan. Nearly 200 attendees representing restaurants, bars, hotels, grocery and liquor retailers, distributors, culinary schools and other U.S. food & beverage entities sampled a wide variety of goods, many of which were new to JETRO Chicago's tasting events. Some of those new to the event were award-winning Wagyu beef from Miyazaki Prefecture's Wagyu cattle; traditional confectioneries Manju, Dango and Daifuku made from rice with red bean or chestnut filling, cherry and yuzu flavors; juices from Japanese lime (sudachi), lemon (kabosu) and yuzu (a tart citrus resembling grapefruit-tangerine); whisky barrel-aged soy sauce and fish sauce; black garlic molasses and juice; frozen wasabi paste and whole wasabi stem; and seafood-based appetizers that pair well with sake. Several other tables also offered seafood, both processed (such as fish cakes for ramen and a surimi crab leg product), and sushi-quality tuna, yellow tail and scallops. Two green tea exhibitors brewed a range of shade-grown, toasted, pan-fried and matcha teas. Attendees sampled 125 sakes of all grades and categories, some of which were unpasteurized, aged, sparkling, or flavored with yuzu or strawberry. Six shochus and five beer styles were offered as well. In total, 25 out of the 47 prefectures in Japan were represented by the breweries.



An attendee samples the Japanese confectioneries manju, dango and daifuku.



Joseph Stellner, General Manager of The Green Teaist, demonstrates the best preparation methods for various green teas.

As guest speaker, Joseph Stellner, General Manager of The Green Teaist tea salon, demonstrated how best to prepare three types of Japanese green teas; full sun, shaded and roasted. He stressed that the most important aspects in infusing a pot of green tea are steeping time and temperature of the water: too long or too hot will result in the compounds that cause bitterness to extract at a higher rate. Of the types of green teas he brewed, full sun (Sencha varieties) types require moderately hot water and brief steeping time; shaded (Gyokuro, Tencha, Kukicha) require low water temperature and longer steeping time; and roasted (Hojicha, Kyobancha, Genmaicha) require high water temperature and brief steeping time. Once you know the type of green tea you are preparing, Stellner says, keeping these guidelines in mind will make a major difference in the resulting flavor and only add to your enjoyment of one of Japan's signature products.

An exhibitor prepares samples of Wagyu beef from Japan.



One of the sake exhibitor's tables.



Attendees discuss an exhibitor's seafood product.

## JETRO Chicago Says Goodbye, Hello

JETRO Chicago recently bid farewell to Executive Director, Yusuke Okano and Director of Industrial Machinery, Takuyuki Kawauchi. Both Mr. Okano and Mr. Kawauchi were in Chicago for three years.

Mr. Okano will take over as Chief Director of JETRO's Oita office in Kyushu while Mr. Kawauchi will return to the Ministry of Economy, Trade and Industry (METI).

Takayuki Watanabe has been named as Mr. Okano's successor. Mr. Watanabe was previously assigned to JETRO's offices in San Francisco and New York. Most recently, he served as the Chief Deputy Director, Agriculture, Forestry, Fisheries and Food Department.

Replacing Mr. Kawauchi will be Takahiro Takahashi, formerly the Assistant Director at International Electrotechnology Standardization Division at METI. Like Mr. Watanabe, Mr. Takahashi also has experience

in the United States. He completed a 10-month fellowship at the Global Leadership Institute at the University of California, San Diego.

All of us at JETRO Chicago wish Mr. Okano and Mr. Kawauchi the best of luck back in Japan.



Okano



Kawauchi



Watanabe



Takahashi

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watching this new tree's roots deepen, strengthen and mature as our friendship continues to blossom.

This September, it will be my honor to lead a delegation of Hoosiers back to Japan, where we will attend the 47th Annual Midwest U.S. – Japan Association Conference in Tokyo. Our delegation, historically the largest at the conference, is proud to be a part of this annual meeting.

Our bond extends to our economies, demonstrating the critical importance Indiana holds for the Japanese economy. Today more than 240 Japanese business facilities operate in our state, bustling with the dedication of more than 46,000 hard-working Hoosiers. Japan is the largest foreign direct investor in Indiana, meaning, like the trees in Ota City, Japan's roots run through our state's economy deeper than any other country's in the world.

Since 2005, the Indiana Economic Development Corporation has worked on more than 100 projects for Japanese companies to help them build and locate their operations in Indiana. Those companies have committed to create more than 13,000 Hoosier jobs and invest nearly \$4 billion into our economy. Indiana has the largest amount of Japanese investment per capita in the United States, which shows the critical importance Indiana holds for Japan.

In June of this year, we were honored to extend our famous Hoosier hospitality to a group of business leaders visiting Indiana as part of the Keidanren delegation to the United States. I met with these leaders to tell Indiana's story, one of a state where innovation meets a dedicated workforce, a great location and real affordability. But we also heard their Indiana stories, which showed what's possible here in a state that works.

It is perhaps more important now than ever before that the U.S. and Japan grow our economies as one. Trade means jobs, but it also means security, which is why I continue to call for the swift adoption of the Trans-Pacific Partnership. A strong economy is a stable economy, and a stable economy helps shine a beacon of hope in the stormy waters of the world today.

Today, Indiana stands out in the U.S. because our workforce has the skills to bring innovation to the marketplace. But it's also because our ancestors took a chance on our future together, planting roots for a future full of promise and opportunity.

## Business and Government Leaders from Midwest U.S. and Japan to Meet in Tokyo, September 13-15

For over 46 years, business leaders from the Midwest region of the United States and Japan have met on an annual basis to discuss the growth and progress of economic relations between the U.S. Midwest and Japan. The Annual Joint Meetings of the Midwest U.S.-Japan and Japan-Midwest U.S. Associations serve as a principal forum on the growth of bilateral trade and investment between the U.S. Midwest and Japan. The 47th Annual Joint Meeting will take place September 13-15, 2015 at the Imperial Hotel in Tokyo. The 46th Annual Joint Meeting was hosted in Des Moines, Iowa in September 2014.

The theme of this year's conference is "Japan-Midwest U.S.: Expanding our Relationships," and it is expected to attract hundreds of delegates, including high-level state government officials from the Midwest. At presstime, attendance was expected by Gov. Mike Pence, State of Indiana; Gov. Terry Branstad, State of Iowa; Gov. Rick Snyder, State of Michigan; Gov. Pete Ricketts, State of Nebraska; and Lt. Gov. Rebecca Kleefisch, State of Wisconsin.

Panel Sessions on the agenda include these topics:

- Business Relationships for Success
- Cutting-edge Technologies Driving Growth
- Expanding Trade and Investment in a Global Economy (moderated by JETRO Chairman and CEO Hiroyuki Ishige)

**Conference registration is now open. You can find more details and registration information at [www.midwest-japan.org](http://www.midwest-japan.org). For further questions, please contact Marie Gaudette at 312-464-0115 or [mgaudette@mlgassoc.com](mailto:mgaudette@mlgassoc.com).**

*The Midwest U.S.-Japan Association is comprised of nine member States including Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. Membership in the Association is supported by State governments, usually represented by their Departments of Commerce or Economic Development. The governments of these States cooperate within the Association to increase understanding throughout the Midwest business community of Japan's markets and resources, to showcase the Midwest as America's most dynamic business environment, and to develop knowledge in Japan of direct foreign investment opportunities in Midwest communities and the export potential of Midwest companies.*

## Results of Survey of International Operations of Japanese Firms

From December 2014 through January 2015, the Japan External Trade Organization (JETRO) conducted a survey of Japanese firms using JETRO's services to gauge their interest in business overseas. The survey received valid replies from 2,995 firms (32.6% response rate), of which 2,334 were small and medium-sized enterprises (SMEs). It covers topics including efforts of trade, overseas and domestic business development policies, business environments of emerging countries, globalization of management, etc. Major points described in the report include:

- The more involved in global business development, the larger benefit from depreciation of yen
- Major obstacles to export growth: sluggish overseas demand, competition and transfer of production overseas

- SME motivation to expand overseas and domestic business on the rise
- Among firms planning to expand overseas business, 61.5% showed intention of expanding domestic business as well
- Interest in expanding into U.S. and Mexico on the rise. Popularity of ASEAN countries continues to exceed that of China for three consecutive years. Among the firms expecting overseas business expansion, the ratio of those intending to expand in the U.S. increased from 25.4% to 31.3% from the year before.

Detailed information is available in the English version of the full report, available as a PDF download (762KB), at [http://www.jetro.go.jp/ext\\_images/en/news/releases/142a2191f56e68bc/TJ\\_en\\_2014japan\\_overseas.pdf](http://www.jetro.go.jp/ext_images/en/news/releases/142a2191f56e68bc/TJ_en_2014japan_overseas.pdf).

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can be found everywhere in the Midwest, and now ramen noodle restaurants are booming in Chicago.

To make the most of this opportunity to bring the best and most authentic Japanese ingredients to the rest of the world, the Japanese government is diligently trying to promote exports. This is one of the most important policies of Abenomics, Prime Minister Shinzo Abe's economic reform policy. The government has set the challenging goal of doubling Japanese exports to the world by 2020 and JETRO is working hard to realize this, with good results so far: Japan's agricultural, fishery and food exports reached a record high in 2014. MAFF said exports of these products increased by 11.1% to 611.7 billion yen (US\$5.1 billion \*120 yen/dollar). The U.S. was Japan's second-largest export market at 93.2 billion yen=US\$7,767 million in 2014, following Hong Kong.

The Japanese government has set strategic product sectors for export, by country. For the U.S. market, fishery foods, rice, rice snacks, sake, wagyu beef, green tea, persimmon, yam and cut flowers are the key products. We are aiming to be like Italy when it comes to food exports. That country's major export products represent the essence of Italian cuisine, with ingredients such as wine, pasta, cheese, pizza, olive oil, chocolate, coffee and ham. In the case of Japan, food exports to the world are less than 1/8 of Italy's total, so there is still much room for growth.

Japanese foods have gained popularity in the U.S. thanks to the many years of great effort by Japanese and Japanese-American farmers, food processing companies, importers/distributors, restaurants and retailers. One great example in the Midwest is Kikkoman Corporation, a soy sauce company with 400 years of history that established a factory in Walworth, Wisconsin in 1973. It has promoted not only its soy sauce but also Japanese cuisine as a whole so that American people can understand how to make the best use of it. (You can check the company's interesting history of its U.S. operation in this short film at <http://www.kikkomanusa.com/creed/shortfilms.html>)

At this point in time, in order to further promote the Japanese food business in the U.S., we would like to have more American importer/distributor/retailers sell Japanese food. Japanese imports here are mostly targeted towards the high-end, value-added food market, so we are hoping that the U.S. companies which import high-end European ingredients would sell Japanese products as well. To further this aim, we sent some of these companies to Japan on our buyer invitation program so that they could connect with Japanese companies. JETRO Chicago hosts Japanese food match-making events a couple times a year at Kendall College, a culinary school in Chicago. If you know any U.S. importer/distributor who would like to exhibit, or restaurants/retailers who would like to visit as buyers, please encourage them to contact us.

Japanese food and agricultural products are striving to be more competitive in the global market, which is a challenge for an industry that has been mostly domestic-oriented until now. Prime Minister Abe is taking bold steps to implement Japan's first major round of structural reform and deregulation in this area in 60 years, which consists of these steps:

(1) Opening the door to new and modern business opportunities: Reforming the Agricultural Cooperative system to encourage entrepreneurialism and seek new market entrants, relaxing requirements to form Agricultural Production Corporations, and removing Rice Production Adjustment program.

(2) Consolidating scattered farmland and optimizing use.

(3) Establishing product-specific export organizations to promote exports.

Japanese foods are well-known for their high quality, but exporting to the U.S. market means that companies must accommodate the food safety regulations here. The U.S. Food and Drug Administration (FDA) is in the process of introducing its new Food and Safety Modernization Act (FSMA). JETRO is working closely with the FDA and making efforts to report updated information on the regulations to Japanese companies. My colleague at our Chicago office, Mr. Daisuke Ito, Director of Agriculture and Research, was recently invited to be a panelist for the FDA's seminar on FSMA implementation, education and outreach.

We sincerely hope more and more American people will enjoy healthy and delicious Japanese food and cuisine, and we at JETRO are doing all we can to help with this.

I'd now like to mention another one of JETRO's recent activities. We participated in the 2015 BIO International Convention in Philadelphia from June 16-18, organizing the Japan Pavilion. One of the speakers at the convention, Mr. Hidetaka Nishimura, Director of Bio-Industry Division of Japan's Ministry of Economy, Trade and Industry (METI), emphasized that Japan set the most attractive and most advanced legal framework for regenerative medicine in the world last November. It was a very encouraging comment, and the Japan Pavilion was quite popular because a lot of people showed interest in this topic.

Looking ahead, I am eagerly anticipating the chance to see many friends and colleagues representing state-level and local-level government officials and business development teams from our Midwest region at the Midwest U.S.-Japan Association Annual Joint Meeting in September in Tokyo. This conference always deepens our connections and friendships.

### Note from the Chief Executive Director



friendship between Japan and the Midwest.

We at JETRO are pleased to announce the promotion of Ralph Inforzato, Director of Business Development to the position of Executive Director of Business Development. He joined JETRO Chicago 30 years ago, so many readers know him well, and he has truly been instrumental in countless successful and innovative programs over the past three decades. His strong leadership will continue to strengthen the