

Japan External Trade Organization

1 East Wacker Drive, Suite 3350

Chicago, IL 60601

Phone: 312-832-6000

Fax: 312-832-6066

www.jetro.go.jp/usa

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*
- *Guest View: The Paradigm of Future Manufacturing ... page 3*
- *Global MRO: Illinois Company Succeeds in Japan ... page 3*
- *Asia-Pacific Economic Integration Symposium ... pages 4-5*
- *Japan Pavilion at BIO 2017 ... page 7*

Midwest U.S.-Japan Meeting in Tokyo

The Midwest U.S. - Japan Association 2017 Conference is set for September 10-12 at the Imperial Hotel in Tokyo, Japan. This year's conference theme is "Japan-Midwest U.S.: Strategies for Economic Growth."

Hundreds of delegates, from governors to top executives at leading companies in both America and Japan, will attend the conference, which serves as a unique venue for bringing together political and business leaders to foster business relations and to discuss the growth and progress of economic relations of the American Midwest and Japan. The location alternates between Midwest U.S. and Tokyo.

Five governors of Midwest states are scheduled to attend and speak, including Gov. Bruce Rauner of Illinois, Gov. Eric Holcomb of Indiana, Gov. Rick Snyder of Michigan, Gov. Pete Ricketts of Nebraska, and Gov. Scott Walker of Wisconsin.

In addition to guest speeches and keynote addresses, plenary sessions/panel discussions will explore topics, including, "Collaboration for Success," "Advanced Technologies," and "Promotion of Trade and Investment."

Among the speakers and moderators on the agenda are: Yoshimitsu Kobayashi, Chairman, KEIZAI DOYUKAI & Chairman, Mitsubishi Chemical Holdings Corp.; Shigeo Ohyagi,

See "Conference" on page 6

A Fond Farewell to Chicago and the Midwest



From the Chief Executive Director

Ichiro Soné
Chief Executive Director,
JETRO Chicago

I am truly sad to say that this is my final column as Chief Executive Director at JETRO Chicago. In late August, I was transferred back to Japan after four years in this wonderful city. The time has passed so quickly, and I will always treasure my experiences and all of the connections I have made in the Midwest. I am so grateful for all of the kindness that people have extended to me and to JETRO.

I also have some great news to share. My colleague, Ralph Inforzato, Executive Director of Business Development, will follow me in the position as Chief Executive Director.

Mr. Inforzato is the first ever non-Japanese chief to take the helm of a JETRO office. I would like everyone to understand how remarkable this is, as JETRO is a Japanese governmental organization. I am honored that history has been made in our Chicago office, and I believe his appointment proves the extent to which the economic relationship between Japan and the Midwest is an interdependent, two-way street.

Many readers know Ralph well, and they know that he has been instrumental in countless successful and innovative programs over the past three decades. I would greatly appreciate your continuous support for him and his efforts, as his leadership continues to strengthen the ties between Japan and Midwest.

When I came to Chicago, I set some goals for myself to achieve.

See "Chief Executive Director," page 8

Ralph Inforzato Named New Chief Executive Director of JETRO Chicago

As noted in Ichiro Soné's comments above, JETRO Chicago veteran Ralph Inforzato has been named Chief Executive Director of JETRO Chicago. Formerly the Executive Director of Business Development, Ralph comments on his appointment:

I am so very honored to follow in the footsteps of Ichiro Soné as the Chief Executive Director of JETRO Chicago.

Both Soné-san and our immediate past Chief Executive Director, Tatsuhiro Shindo, are tremendously talented individuals who care deeply about the Midwest-Japan relationship and have worked tirelessly to make new and sustain existing relationships with Japan throughout this great American Heartland. I will do my very best to meet their high expectations. I am also very humbled by the deep trust that Ichiro Soné, our dear JETRO Chairman and CEO Hiroyuki Ishige, Executive

Vice President, Tatsuhiro Shindo, and all of my colleagues have placed in me.

Ichiro Soné has taken our JETRO Chicago office to new and deeper levels of activities in developing innovative projects that have brought value not only to the business communities of the Midwest and Japan, but importantly, to the Midwest state and local governments as well as to Japan's prefectural governments.

It is important to expand on this last example regarding our work with Japan's prefectures. I was honored to work under Soné-san's leadership when he recently asked me to organize U.S. company visits on behalf of representatives from the Miyagi Prefecture



See "Ralph Inforzato," page 6

In this issue ...

- *Chief Executive Director: A Fond Farewell to the Midwest ... page 1*
- *Midwest U.S.-Japan Meeting in Tokyo ... page 1*

- *Asia-Pacific Economic Integration Symposium ... pages 4-5*
- *Japan Pavilion at BIO 2017 ... page 7*
- **Back to Page 1**



On May 15, Illinois Governor Bruce Rauner welcomed business leaders from Japan's Keidanren Mission to the Metropolitan Club in Chicago. (From left) Consul-General Naoki Ito; Haruo Naruse, Chairman of Canon Marketing; Governor Rauner; Kunio Ishihara, Counsellor, Tokio Marine & Nichido Fire Insurance Co., Ltd.; and JETRO Chicago's Ichiro Soné.



The Japan America Society of Indiana (JASI) Gala held on June 22, 2017, at the historic Indiana Roof Ballroom, set a record attendance of nearly 600 business and community leaders from across Indiana and the Midwest. The program featured Tomikazu Fukuda, (left) Governor of Tochigi Prefecture and Eric Holcomb, Governor of the State of Indiana and celebrated Subaru of Indiana Automotive's 30th Anniversary.

(Below) JETRO Chicago's Akira Kawachi (third from left) joins Governor Holcomb (center) and the TOA (USA) team at the JASI Gala.



On April 19, Wisconsin Governor Scott Walker (center) welcomed Naoki Ito, Consul-General of Japan in Chicago, and Ichiro Soné of JETRO Chicago for a meeting at his office in Madison.

Consul-General Ito and Ichiro Soné also met with Wisconsin Lt. Governor Rebecca Kleefisch at her office on April 19.



JETRO Chicago's Ichiro Soné and Naoki Ito, Consul-General of Japan in Chicago, met with Nebraska Governor Pete Ricketts at the Governor's office in Omaha on April 20.



The Keidanren Mission and JETRO's Ichiro Soné traveled to Madison, to meet with Wisconsin Lt. Governor Rebecca Kleefisch on May 16.



Masaki Nagao, JETRO Chicago's Director of Energy presented at two energy seminars, one in Chicago on July 27 and the other in Novi, Michigan on July 25.

JETRO visited North Dakota for a meeting with North Dakota Gov. Doug Burgum and Lt. Gov. Brent Sanford in the Governor's office on June 29. (From left: Honorary Consul Dick Stahl, Ichiro Soné, Governor Burgum, Consul-General Naoki Ito, and Lt. Governor Sanford.



JETRO Chicago's Ralph Inforzato presented at the In-Focus: Japan Seminar in Omaha, Nebraska on April 20.



JETRO Chicago's Ralph Inforzato and Akira Kawachi attended a dealer tour at Promega Corporation, Madison, WI, a biomedical products company, on July 31.



Consul-General Naoki Ito and JETRO Chicago's Ichiro Soné welcomed Missouri Governor Eric Greitens (center) to the Consulate-General of Japan in Chicago on June 5.

In this issue ...

- *Chief Executive Director: A Fond Farewell to the Midwest ... page 1*
- *Midwest U.S.-Japan Meeting in Tokyo ... page 1*

- *Asia-Pacific Economic Integration Symposium ... pages 4-5*
- *Japan Pavilion at BIO 2017 ... page 7*
- **Back to Page 1**

The Paradigm of Future Manufacturing



Guest View

Monika A. Minarcin
Automotive Market
Manager, Americas
Omron Automation
Americas

Since its establishment in 1933 as Tateisi Electric Manufacturing Co. in Osaka, Japan, Omron has supported industry with innovative solutions and advanced technologies. In our over 85 year history, it can be difficult to sum up what

Omron does. To say that we are an electronics company or an industrial automation company is to exclude a wide range of our businesses. In the same way, it is not easy to describe our founder, Kazuma Tateishi, in just a few words. It was Mr. Tateishi's personal commitment to serve society that always inspired him to move forward, often into unexplored and complex areas. He would probably agree that there is no endeavor as complex as manufacturing. From supply chain to shop floor, it drives economies and innovation like no other industry in the world. However,

manufacturing is often overlooked as the last step in a process to being a product to market.

The issue is that many of the techniques and processes we tend to use today to deduce return in manufacturing such as lean and production efficiency per cell were invented and arguably perfected before the advent of globalization, personal computing, and advanced automation. These concepts, while valuable – albeit in certain circumstances, fail to account for the wealth of “innovation” coupled with the lower cost and relative availability of computing ubiquitous with the new global reality. Thus, it was very timely to hear a panel discussion during JETRO's Symposium on Asia-Pacific Economic Integration and the Role of the United States & Japan that these issues were as much a part of the conversation in developing parts of Asia as they were in developed economies such as the U.S. and Japan.

The panelists noted that industrial competitiveness is increasingly defined by the outlines of international production networks rather

See “Guest View: Omron,” page 6

Global MRO: Illinois Company Succeeds in Japan

On March 21, 2017, representatives from JETRO met and spoke with Todd Pearson, the President and Founder of Global MRO, an international procurement company based in Rolling Meadows, Illinois. Global MRO provides industrial components from various parts of the world to primarily Japan-affiliated manufacturers in the United States. In 2016, Global MRO created Global MRO Japan K.K. and opened its office in Yokohama. Currently, Global MRO is sourcing from over 3500 different manufacturers from Japan. Approximately sixty-five to seventy percent of what Global MRO purchases from around the world is sourced from Japan.

Prior to founding Global MRO in 2002, Pearson was employed by a Japanese trading company for about 11 years. This experience was the doorway to his contact with the Japanese culture. During this time, he observed how vast the industrial sector, especially automotive, was in the United States. He noticed the large number of suppliers used by U.S. automotive OEMs, and how technical items that were critical to them were unavailable domestically and could not easily be obtained otherwise. The concept for Global MRO was born as a response to this need for difficult-to-procure global parts and components. Setting up an office in Japan was critical to Global MRO because of the technical products that are available in the market. Pearson also says that Japan is overall a very stable country, with plenty of business resources to draw from.

Establishing a presence in Japan was made much easier for Global MRO by the many services that JETRO provides. Pearson says that Yokohama City was attractive as a location for the Japan office, citing its peaceful atmosphere, lower costs, fantastic infrastructure, airport/seaport access, and proximity to the Shinkansen station. Pearson was put in contact with a JETRO representative in Yokohama, and Global MRO was provided with office space prior to finding its own location. In every JETRO space, there are cubicles, access to fax lines, and free internet. The location was not the only help that Pearson received from JETRO, however; he also received accounting assistance, personnel services, and help with finding his own location.

He remembers how representatives helped manage even the smallest details, saying, “[JETRO] takes away so many other problems so that

you can really focus on your company ... The little things that could have been landmines in the development of my company were quickly taken care of.” Even after Global MRO had settled into its new Yokohama branch office, JETRO continued to work with Pearson to make sure that everything went smoothly.



Moeko Otsuchi (left) and Ralph Inforzato (right) of JETRO met with Todd Pearson at Global MRO's office to discuss his experience establishing an office in Japan with JETRO's help.

Pearson has great respect for the Japanese people, and can attest to their professionalism and kindness. Having worked with Japanese companies for so long, Global MRO has developed strong relationships as well as a thorough understanding of the Japanese culture. This history and knowledge, along with Global MRO's ability to get products from Japan to the United States on or ahead of time and at a lower cost, gives the company an advantage over competitors. To other prospective global businesses, he says, “If you're looking at the Pacific Rim and you don't seriously consider Japan, I think you're missing out on something.”

Initially, two people worked at the Yokohama office. Now, Global MRO Japan KK employs around six people. Setting up a Global MRO office in Japan has proved to be fruitful, as it is now being used to spearhead growth of relationships with other companies within the Asian market, such as Korea and Taiwan. As for JETRO's services, Pearson says, “Don't just walk by this opportunity. JETRO is a phenomenal organization... They have the knowledge and they have the experience, they understand the culture – there's nothing that they can't do for you.”

To watch the full interview, please visit the following link: <https://www.youtube.com/watch?v=nfpMOWKUmwQ>.

Report prepared by Madeline Anderson

In this issue ...

- *Chief Executive Director: A Fond Farewell to the Midwest ... page 1*
- *Ralph Inforzato Named New Chief Executive Director ... page 1*

- *Guest View: The Paradigm of Future Manufacturing ... page 3*
- *Global MRO: Illinois Company Succeeds in Japan ... page 3*
- **Back to Page 1**

JETRO Presents Symposium on Asia-Pacific Economic Integration

On June 15, 2017, JETRO and The Illinois Chamber of Commerce co-organized a morning symposium, Asia-Pacific Economic Integration and the Role of the U.S. and Japan, in Chicago. More than a 100 attendees from throughout the Midwest participated.

In 2013, JETRO organized a similar program at which time JETRO Chairman and CEO Hiroyuki Ishige introduced the potential trade and investment opportunities of the Trans-Pacific Partnership (TPP). This was a unique opportunity for many representatives of the Chicago and Midwest business communities to gain a substantive understanding of the TPP. This year's symposium, however, focused on what may happen to the pace of economic integration of the Asia-Pacific economies as a result of the United States' departure from the TPP. One point made very clear by each speaker was that the globalization of business in the Asia-Pacific markets will continue to be dynamic.



Ralph Inforzato



Susana Meza

Attendees were welcomed by **JETRO Chicago's Ralph Inforzato**. Opening comments were provided by **Susana Meza, Chairperson of the International Business Council of the Illinois Chamber of Commerce**, and the **Honorable Naoki Ito, Consul-General of Japan in Chicago**. Ms. Meza works to promote foreign investment and job growth in Illinois. She emphasized the importance of having meaningful dialogue among diverse perspectives.

Consul-General Naoki Ito spoke about the strong bond between the United States and Japan, focusing on the Midwest. He said, "Though I have been in this city for less than 4 months, I have seen firsthand a very close and dynamic Japan-Midwest economic partnership. It is a win-win for us all." Commenting on the symposium's overarching theme, he said, "Japan is fully committed to the TPP, and to boosting the Asia-Pacific region. There, the U.S. and Japan can together play a pivotal role."



Naoki Ito



Adlai E. Stevenson III

Former U.S. Senator Adlai E. Stevenson III provided introductions to the symposium's keynote speakers, and discussed the importance of the symposium in the context of current world affairs, stating, "This symposium can help lead the way, not only for the Asia-Pacific, but for the United States and the world, and for the American Midwest, where opportunities are rife, and our welcoming Chicago is the unofficial capital and logistical center of North America."

The symposium featured two keynote speakers: **Hiroyuki Ishige, JETRO Chairman and CEO**, and **Keith Williams, Chairman and CEO of Underwriters Laboratories**.

Hiroyuki Ishige dedicated his presentation to his dear friend, Ambassador Clayton Yeutter, who recently passed away. He said that in a world of



Hiroyuki Ishige

uncertainty, Japan attaches great importance to free trade and will enthusiastically promote economic integration because it facilitates economic growth. Mr. Ishige said that, "Asia has now become the world's center of economic growth, thanks to economic integration." The United States continues to play an important role in said economic integration. Mr. Ishige cited a survey of U.S. companies in Asia stating that 87% of them located in the ASEAN economies expected to increase their business during the next five years.

Mr. Ishige said that innovation has become a key word in Asia and is a vital ingredient in economic growth. He stated that a framework of rules is needed to ensure the smooth functioning of the Asia-Pacific markets. He believes that the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement between ASEAN and its six FTA partners in Asia and the Pacific, must make every effort to ensure that high standards are part of any trade framework.

Mr. Ishige also believes that China will push strongly toward economic globalization with two major policies. The first is the "One Belt, One Road Initiative," which will focus on the massive infrastructure build-out which could potentially be the world's largest regional collaboration in creating new roads and shipping networks. The other item of Chinese policy is its promotion of a global free trade network based on RCEP and the Free Trade Area of the Asia-Pacific.

Mr. Ishige said that Japan will proceed with the TPP in order to achieve substantial economic integration in Asia. Japan also wants the United States' active involvement in setting fair rules for the TPP and Mr. Ishige hopes that the United States will return to this framework for trade. He said that in any new trade framework, "We need rules with high standards, and the market should be accessible to all companies, large and small."



Keith Williams

Keith Williams, Chairman and CEO of Underwriters Laboratories, clearly presented UL's enduring commitment in Asia, where much of its revenue is currently generated. Importantly, he indicated how very closely the Illinois economy is tied to Asia by showing that the state's exports to China grew at a rate of 5 times (approximately \$8 billion) compared to the rest of the world and \$4 billion annually to the growing ASEAN markets. He said, "ASEAN matters for America and ASEAN matters for Illinois," adding that he has concerns

about the extended conversation in the United States about the end of globalization. He indicated that a deeper explanatory effort is needed to distinguish "the end of globalization" from "the end of globalization as we have known it for the past 25 years." Mr. Williams said that the nature of our global supply chains, the Internet, and the flow of people throughout the region will continue to be the unstoppable driving forces sustaining globalization.

In this issue ...

- *Chief Executive Director: A Fond Farewell to the Midwest ... page 1*
- *Ralph Inforzato Named New Chief Executive Director ... page 1*

- *Guest View: The Paradigm of Future Manufacturing ... page 3*
- *Global MRO: Illinois Company Succeeds in Japan ... page 3*
- **Back to Page 1**

Asia-Pacific Economic Integration Symposium ... from page 4

Mr. Williams said that once the United States accepts that the globalization of business will continue, “We will witness a transformation in the structure of U.S. trade policy from large multilateral agreements to one of a new era of U.S. bilateral (FTAs) agreements: a new Golden Age of American trade agreements is a distinct possibility.”

A panel session then followed, moderated by **Edward Grant, Director and Board Member of the Japan America Society of Chicago**, and featuring **Vo Tri Thanh, Vice President and Senior Advisor of the Central Institute for Economic Management of Vietnam (CIEM); Ke Long, Senior Fellow at the Economic Research Center, Fujitsu Research Institute; Akio Takahara, Professor, Faculty of Law, University of Tokyo; and Travis George, Executive Vice President, Treasurer and CFO of Molex, Inc.**



Edward Grant

During the panel session, each speaker provided thoughtful insights about the future of Asia-Pacific economic integration from the perspectives of an emerging Asian economy (Vietnam), powerful global economies (China and Japan) and from a large Illinois company investing in and doing business in Asia (Molex, Inc.).



Vo Tri Thanh, Ke Long, Akio Takahara

Vo Tri Thanh believes that Asian economic integration could develop into a new paradigm featuring support of a WTO multilateral trading framework

with extended cooperation; this would build capacity and a sense of community throughout Asia. He said that even if the TPP is concluded, he has concerns that it may not be the high quality and effective agreement that it was intended to be. Mr. Vo also said that to have smooth economic integration we must contend with 1) new trade issues, such as E-Commerce and secure data transactions; 2) traditional trade issues such as tariffs, competition policies, and intellectual property rights; 3) challenges associated with the region’s institutions’ work on integration and facilitation of people-to-people interactions; and 4) an understanding of what regional cooperation may actually look like.

Mr. Ke Long, Senior Fellow at the Economic Research Center at Fujitsu Research Institute said that we are now seeing two trade frameworks in competition with each other: the TPP versus the China led One Belt, One Road Initiative coupled with the Asian Infrastructure & Investment Bank. He indicated that under the leadership of President Xi Jinping, China’s initiatives may prove to be the most effective way to forge closer trade and investment ties. If, in fact, the One Belt, One Road Initiative does yield substantial regional economic benefits and is implemented with transparency and fairness, then, Ke Long believes, these China led initiatives will be considered a win-win on a global scale.

Akio Takahara, Professor on the Faculty of Law of the University of Tokyo, indicated that he was not at all convinced that a China led One Belt, One Road Initiative would succeed. He said that the United States must

closely collaborate with Japan to support the socioeconomic development of the Asia-Pacific region and especially of Southeast Asia. He also believes that the United States must increase its presence in East Asia to balance China’s growing influence. Professor Takahara said that more than any other nation, it is the United States that can be the guardian of a rules-based order which will ultimately be seen as a public asset in Asia.



Travis George

Travis George, Executive Vice President, Treasurer and CFO of Molex, Inc., discussed the extreme importance of the the Asia-Pacific economies to his company, a leading electronics solutions company having a strong presence in Asia. Mr. George said that globalization means having the ability to “design anywhere, manufacture anywhere, and ship anywhere.”

The theme of innovation in the Asia-Pacific economies was prominent throughout Mr. George’s presentation. He noted that half of global internet users are in Asia, while only 10% are in the U.S. He believes that technological innovation, coupled with valuable and skilled human resources, is the key driver of globalization in Asia.

JETRO Chicago’s Ichiro Soné thanked all the speakers on the program and introduced **Leslie Munger, Deputy Governor of Illinois**, and **Mr. David Johnson, President of the Japan America Society of Chicago**, who provided closing remarks for the symposium, stressing the importance of good relationships as a basis for healthy economic ties among nations.



Ichiro Soné



Leslie Munger

The 2017 Symposium was a unique and valuable opportunity for thought leaders with a deep understanding of the major Asian economies (China and Japan), an emerging Asian economic power (Vietnam), and top Illinois companies that are heavily invested in Asia to come together for a discussion about the future of economic integration in light of recent developments such as the

TPP. Attendees of the event were able to interact on a more local level with representatives from Asia Pacific governmental organizations, namely the Australia Trade Commission, the Hong Kong Trade Development Council, the Thai Trade Center, the Consulate General of the People’s Republic of China in Chicago, the Malaysian Investment Development Authority (MIDA), and the Illinois Department of Commerce and Economic Opportunity/Intersect Illinois. Every single participant at the symposium, regardless of whether he or she was an attendee, a speaker, or an organization representative, contributed to the event’s success. We hope to have the opportunity to hold similar events in the future so that people of diverse backgrounds can continue to discuss economic integration in the Asia-Pacific region and the roles of the United States and Japan.



David Johnson

Guest View: Omron ... from page 3



than the boundaries of nations. The IoT revolution has made

it much easier to outsource and to coordinate complex activities at a distance. As automation allows for more complex products and processes, the historical tendency towards a spatial sorting of skill-intensive industries to high-wage nations and labor intensive industries to low wage nations is increasingly becoming obsolete. Talent and how it is utilized for higher level functions is now the number one driver of global manufacturing competitiveness. This flies in the face of the traditional command and control manufacturing model based on one thinker and many followers.

Herein lies the issue. Over the past 100 years, a manufacturing perspective has been created that relies on a single viewpoint. As products become more complex and consumer choice becomes king, a reconfigurable plant where complex and choice are the main features can only happen if one can break the sequential single line model of conveyance. We already see this revolution when we look at how many suppliers are required and how many borders are crossed in building a modern vehicle. The factory of the future is any factory that breaks this paradigm. The solution is to look at automation as a systemic tool for success. The question then becomes how best to setup economies and the workforce in a global marketplace to take advantage. Cost competitiveness, productivity, public policy, and supplier networks cannot be excluded from the conversation. In an era of sluggish economic growth, favorable processes and policies must be adopted in order to allow for continued innovation to increase manufacturing competitiveness. Perhaps a potential solution to this complex issue can be best summed up in Omron's founder's words. Mr. Tateishi once said, "To the machine give the work, to the man, give the thrill of creation."

Welcome Madeline and Matt



JETRO Chicago's Business Development Team has grown with two new additions: Madeline Anderson and Matt Feagley.

Madeline is from Deerfield, Illinois and a 2016 graduate of DePaul University, where she majored in Japanese and Spanish.



While in college she had the opportunity to study in Osaka prefecture. Matt is a 2011 graduate of Illinois Wesleyan University. After college he lived in Hokkaido, Japan on the JET Program until he returned to Chicago in 2016.

Please join JETRO Chicago in welcoming Madeline and Matt to their new positions.

Ralph Inforzato ... from page 1

government. Soné-san said we should make a strong effort to give the Miyagi team opportunities to privately meet with American technology companies in Illinois, Indiana, Michigan and Minnesota. This small project gave the Miyagi Prefecture economic development officials a chance to cultivate relationships in the Midwest. We wanted to let the people from Miyagi personally explain how, for example, their capital city of Sendai has recovered from The Great East Japan Earthquake (2011) as well as personally invite American company executives to see the recovery for themselves and to develop a new business presence. These American companies were duly impressed with the Miyagi team's presentation and indicated that it will be in their planning to visit Sendai City. After presentations in Minneapolis and Hudsonville, Wisconsin, the Midwest's warm hospitality kicked in and the American company executives immediately invited the Miyagi team to dine. I explained to the Miyagi team that when Midwesterners host you to dinner it's the first step in relationship building. This is how the cycle begins - with a visit, a presentation and dialogue, a dinner and then a visit to Sendai. It is in this manner in which trust and reliability are made.

I mentioned this one project because we at JETRO Chicago believe it is important to develop grassroots relationships between U.S. companies and Japan's prefectures, just as we do between the Midwest economic development organizations, state governments, and the Japanese business community. The grassroots business and community relationship between the Midwest and Japan is an important concept to keep in our mindset.

I can assure you, we at JETRO Chicago will make every effort to build a strong economic bridge of investment and trade between the Midwest and Japan. TALK TO JETRO FIRST: PLEASE JOIN US.

Conference ... from page 1

Chairman of the Board, Teijin Limited; Daniel Lynch, Vice President-Government Affairs, United Airlines; David Williams, Dean, School of Engineering, Ohio State University; Osamu Shinobe, Vice Chairman, ANA Holdings Inc.; Osamu Nagata, Member of the Board of Directors, Executive Vice President, Chief Financial Officer, Toyota Motor Corporation; Kanetsugu Mike, President & CEO, Bank of Tokyo-Mitsubishi UFJ, Ltd.; Takeo Inokuchi, Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd.; Kazuo Ohmori, Chairman, Sumitomo Corporation; Hiroyuki Ishige, Chairman and CEO, Japan External Trade Organization (JETRO); and Hon. Naoki Ito, Consul-General, Consulate-General of Japan in Chicago.

Remarks will also be presented by Yuzaburo Mogi, Japan Conference Chairman, Honorary CEO and Chairman of the Board, Kikkoman Corporation; and W. Gordon Dobie, U.S. Honorary Conference Chairman, Partner, Winston & Strawn.

For the latest information and a complete schedule, visit <http://www.midwest-japan.org>.

Contact JETRO Chicago • www.jetro.go.jp/usa/

JETRO Chicago is located at 1 East Wacker Drive, Suite 3350, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066

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.



Akira Kawachi, Director of Business Development, akira_kawachi@jetro.go.jp

Kevin Kalb, Robotics, automotive and manufacturing inquiries, kevin_kalb@jetro.go.jp

Cathleen Moore, Food, tea and sake exports from Japan inquiries, cathleen_moore@jetro.go.jp

Stephen Vullo, Industrial machinery exports from Japan inquiries, stephen_vullo@jetro.go.jp

Moeko Otsuchi, Business Development Representative, moeko_otsuchi@jetro.go.jp

Matt Feagley, Biotechnology & life science inquiries, Matt_Feagley@jetro.go.jp

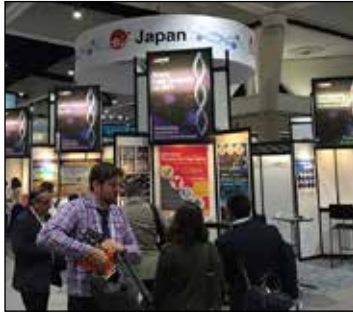
In this issue ...

- *Chief Executive Director: A Fond Farewell to the Midwest ... page 1*
- *Midwest U.S.-Japan Meeting in Tokyo ... page 1*

- *Global MRO: Illinois Company Succeeds in Japan ... page 3*
- *Asia-Pacific Economic Integration Symposium ... pages 4-5*
- *Back to Page 1*

Japanese Life Science Companies Exhibit at 2017 BIO International Convention in San Diego

The Biotechnology Industry Organization (BIO) International Convention was held in San Diego from June 15th-19th. There were more than 1,800 exhibitors, which included 50+ international, regional and state pavilions. More than 16,000 individuals attended, from 74 countries and 48 states.



This year, JETRO recruited 19 Japanese life science companies and research organizations to exhibit in the Japan Pavilion. They presented new treatments for oncology, pain management, cognitive and neurological disorders; advancements in regenerative medicine; drug discovery tools; contract manufacturing; and R&D. Four companies from Osaka exhibited within the JETRO Osaka pavilion, as well.

In addition, the Japan Agency for Medical Device Research and Development (AMED) also participated in the Japan Pavilion. Launched in 2015, AMED has a mission similar to that of the National Institutes of Health in the United States. AMED establishes, maintains, and provides funding for integrated R&D in the life science sector, from basic research to clinical trials.

BIO's advanced partnering system allowed the exhibiting companies to search for potential partnering opportunities and arrange meetings. The meeting spots within the Japan pavilion were busy from open until close throughout the entire convention.

As a part of the program, JETRO Chicago organized a partnering workshop for our Japanese exhibitors. Representatives from AbbVie, Eli Lilly & Company, Pfizer and Sanofi made closed-door presentations to the Japan Pavilion members. Speakers introduced their companies, detailed the therapy areas which they focus on, explained how they collaborate with other firms on research, licensing and marketing, and outlined the process for companies to connecting with them. The workshop ended with Q&A as well as plenty of time for the Japanese delegates to network with the speakers.

On the opening day of the exhibition, JETRO hosted an exhibitor reception, welcoming more than 200 visitors to the Japan Pavilion and serving a selection of sake from Fukushima.

The annual BIO Convention is the largest event for the biotechnology sector, covering a wide spectrum of life science and related fields, including drug discovery, biomanufacturing, genomics, biofuels, nanotechnology and cell therapy. Next year's BIO International Convention will take place June 4-7, 2018 in Boston. If you are interested in learning more about Japan's life science sector or JETRO's biotech initiatives, contact Matt Feagley at Matt_Feagley@jetro.go.jp.

Report prepared by Kelly Highland and Matt Feagley

JAPAN PAVILION EXHIBITORS	URL
BioMedCore, Inc.	www.libmec.com
Carna Biosciences, Inc.	www.carnabio.com/english
CellFree Sciences	www.cfsciences.com
chromocenter Inc.	www.chromocenter.com
Gene Techno Science Co., Ltd.	www.g-gts.com
GreenPeptide Co.,Ltd.	www.green-peptide.com/english
Hamamatsu Pharma Research, Inc.	www.hpharmausa.com
iPS Academia Japan, Inc.	www.ips-cell.net/e
Japan Agency for Medical Research and Development (AMED)	www.amed.go.jp
M Bio Technology Inc.	www.mbiotech.org/English/company.html
Medicinal Chemistry Pharmaceuticals Co., Ltd.	http://soyaku.co.jp/english
Myoridge Co. Ltd.	http://myoridge.co.jp
NB Health Laboratory Co., Ltd.	www.nbhl.co.jp
NUProtein Co., Ltd.	www.nuprotein.jp
Okinawa Protein Tomography Ltd.	www.okinawa-pt.com/english2.html
Oncolys BioPharma Inc.	www.oncolys.com/en
Pola Pharma Inc.	www.pola-pharma.co.jp
PRISM Pharma Co., Ltd.	www.prismbiolab.com
Shin Nippon Biomeical Laboratories, Ltd.	www.snbjapan.com
OSAKA EXHIBITORS	URL
AnGes MG., Inc.	www.anges-mg.com/en
Hamari Chemicals, Ltd.	www.hamarichemicals.com
Kurabo Industries Ltd.	www.kurabo.co.jp/bio/English/index.html
Matrixome, Inc.	www.matrixome.co.jp

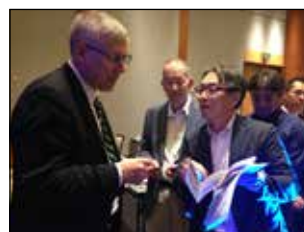
JETRO's Partnering Workshop at BIO 2017



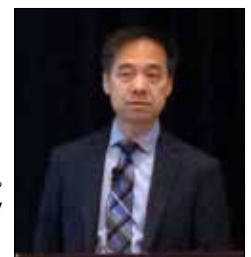
*Gurkeerat Singh,
Team Leader,
Search and
Evaluation,
Eli Lilly and
Company*



*Gregory Fond,
Director, External
Innovation, Rare
Diseases, Sanofi*



*Kevin Lynch,
Vice President, Search
and Evaluation,
AbbVie Inc.*



*Yuan-Hua Ding,
Senior Director &
Head of External
R&D Innovation,
Pfizer Inc.*

In this issue ...

- *Midwest U.S.-Japan Meeting in Tokyo ... page 1*
- *Guest View: The Paradigm of Future Manufacturing ... page 3*

- *Global MRO: Illinois Company Succeeds in Japan ... page 3*
- *Asia-Pacific Economic Integration Symposium ... pages 4-5*
- **Back to Page 1**

Chief Executive Director ... from page 1

First, I felt very encouraged that it was the time for JETRO to help strengthen the business ties between Japan and the Midwest, teaming up with local business leaders and colleagues at organizations such as state governments, industry associations and local economic development leaders. What impressed me the most was that Japanese companies are now regarded as “reliable partners” in the Midwest.

The Midwest is the center of U.S. manufacturing. Naturally, many Japanese companies operate production facilities here, contributing to job creation and serving as good corporate citizens. People appreciate Japanese investment because Japanese companies tend to be committed to doing business for the long term: Once they invest, they stay, even during recessions, and they grow with the local economy.

Ralph and I, along with Consul-Generals in Chicago and Detroit, have hosted many seminars, met with all 12 governors, and reached out to mayors and local economic development leaders in the Midwest to emphasize the importance of Japanese investment and doing business with Japan. As a result, seven governors, as well as many mayors and economic development leaders, have kindly contributed articles to this newsletter. Many of them have also participated in the Midwest U.S.-Japan Association Conference, and visited Japan and JETRO headquarters in Tokyo.

Second, I aimed to have a track record of success in helping Midwest companies expand in Japan. In the past, JETRO focused on assisting foreign companies who were setting-up operations in Japan for the first time, because that can be the toughest part of doing business in Japan. Because over 60% of our client companies have set-up their operations in Tokyo, and Prime Minister Shinzo Abe’s “Abenomics” reform plan targeted revitalization of regional economies, JETRO started assisting secondary investment/expansion in Japan since about the time I arrived in Chicago.

I would like to tell you about two success stories since I came here. One is Caterpillar Inc. (Illinois). JETRO assisted Caterpillar two years ago with its application for the Japanese Government’s Incentive and Subsidy Program on R&D Investment. That all started when Mr. Steven F. Shoemaker, Chief Engineer and Managing Director, kindly made time in his busy schedule on his way back to Japan to meet with Ralph and me at Chicago’s O’Hare International Airport in early 2014. Caterpillar’s huge plant and R&D Center with 1,000 workers in Akashi, Hyogo Prefecture, is the company’s global R&D HQs and mother plant for hydraulic excavators.

The other case is BorgWarner Inc. (Michigan), the tier-1 automotive supplier. It announced this year that it would be making new investment in its existing facilities in Mie with support from JETRO and Mie Prefecture. This investment is expected to yield well over 2.5 billion yen (over \$22 million) in new capital expenditures in machinery and equipment, including R&D, and it will also create new jobs in Mie Prefecture. This investment plan was finalized in close collaboration between JETRO and the Mie Prefectural Government.

Third, I wanted to connect Japanese innovative suppliers with major U.S. manufacturers. I realized that the latest technology revolution, such as Internet of Things (IoT), and artificial intelligence (AI) will create more business opportunities, because the U.S. Midwest and Japan are both centers of advanced manufacturing.

In the auto industry, next-generation automobiles such as autonomous and electric vehicles (EV) have already had a big impact on the industry. To remain competitive in the global marketplace, major automakers have to work with new innovative suppliers, including ones outside of

their conventional supply chains. This is where Japanese cutting-edge technology companies can contribute, and JETRO can play a significant role in connecting these companies to U.S. automakers.

When we met with executives from Fiat Chrysler Automobiles (FCA) and Ford Motor two years ago, they both asked us if we could introduce them to new innovative Japanese companies with next-generation automotive technologies. From the Japanese suppliers’ point of view, they initially came to the U.S. primarily to do business supplying Japanese automakers. Of course, they would like to expand their business to U.S. automakers, but many of them had said that it was not easy to penetrate the local supply chain. But I believe that the technological revolution has now completely changed the landscape.

We have hosted the “Japan Innovation Showcase” at both the FCA and Ford U.S. HQs in Michigan, and they were a big success. Among the participants, about one-third of them were small and medium-sized enterprises (SMEs), and about two-thirds were not members of the Japan Auto Parts Industries Association (JAPIA). This is why JETRO is uniquely positioned to manage this kind of event, and why it was so successful. We plan to host one at General Motors’ HQs in early 2018.

Fourth, I wanted to continue and strengthen the “Kizuna” campaign for assisting the recovery of the region ravaged by The Great East Japan Earthquake and Tsunami of March 2011, which was originally initiated by Ms. Yoko Noge, co-chair of the Osaka Committee of Chicago Sister Cities International at the time and my predecessor, Tatsuhiro Shindo, and our colleagues in Chicago, such as the Consulate-General of Japan, the Japan America Society of Chicago (JASC) and the Japanese Chamber of Commerce and Industry of Chicago (JCCC).

I brought speakers who experienced the tragic disaster and the subsequent recovery in Tohoku, such as Ms. Akiko Nakagawa, the former Chief Director of JETRO Sendai; Mr. John Harris, President of U.S. medical device company Nippon Becton Dickinson (BD) Co., Ltd., which has a factory and distribution center in Fukushima; Mr. Akihiro Ohyama, Chairman of IRIS U.S.A. who experienced the quake and recovery at its HQs in Miyagi; Mr. Joe Dixon, Program Manager-Environment of PaR Systems, Inc., an engineering and robotics company based in Minnesota whose equipment and crane systems are operating in the Fukushima Dai-ichi Nuclear Power Plant; Mr. Yasuhiro Nagamatsu, the former Chief Director at JETRO Fukushima; Mr. John Olvera, Senior Consulting Engineer and Dr. Robert Priddy, Engineering Lead at Atkins Nuclear Solutions U.S., which specializes in fire protection systems; and Mr. Yoshiyuki Takasago, Deputy Director-General of the Commerce, Industry and Tourism Department of the Miyagi Prefectural Government.

We have hosted Kizuna Seminars in Chicago, St. Louis, Indianapolis, Minneapolis and St. Paul, where speakers relayed their extraordinary, amazing stories from Tohoku. People in the Midwest have done so much to help the region recover, and we were all touched by their warm hearts.

Last but not least, I hoped to see Ralph promoted to be my successor, which I consider to be the most significant accomplishment of my tenure here.

All of these projects were realized through the tremendous efforts of our staff and great friends in the Midwest. I cannot thank everyone enough. Chicago has truly become my second home town. I will miss all of my friends in the Midwest, and hope to visit again in the future. Thank you, from the bottom of my heart.