

# JETRO Chicago Midwest NEWSLETTER

## Japan External Trade Organization

1 East Wacker Drive, Suite 600

Chicago, IL 60601

Phone: 312-832-6000

Fax: 312-832-6066

[www.jetro.org](http://www.jetro.org)

### In this issue ...

- *JETRO Around the Midwest: ... page 2*
- *Japan Lecture Series set for St. Louis ... page 2*
- *Monozukuri seminar set for Indianapolis ... page 3*
- *JETRO to host reception at Midwest U.S.-Japan Conference in Milwaukee ... page 3*



### From the Chief Executive Director

*Muneo Takashi  
Chief Executive Director,  
JETRO Chicago*

Currently in Japan, a popular serial television drama, "Atsuhime (Princess Atsuko)," airs every Sunday evening on NHK. This is a story of a woman named Atsuhime who lived through the last period of Edo to the beginning of Meiji in Japan. She was a daughter in one of the most powerful clans in the Kyushu area of Japan and later became the spouse of Tokugawa Shogun Iesada.

A recent scene was that of the presentation by Townsend Harris, the first American Consul-General in Japan (appointed by president Franklin Pierce) to Shogun Iesada, Atsuhime's husband. Though the scene was humorous in its depiction of the differences in the two men's physical stature, it was both enjoyable and historically significant, as Shogun Iesada thanked Harris for his long journey across the Pacific Ocean, adding that the relationship between Japan and the United States would continue eternally.

This scene reminded me of two other historic events: the "Meiji Restoration" which occurred eleven years after the scene and marked the beginning of the industrialization of Japan, as well as "Kurofune (Black Ships)", a fleet steered by the US Commodore Matthew C. Perry to the southern end of Tokyo Bay in 1853, four years prior to Harris's presentation.

The emergence of "Kurofune" made the policy makers of the Tokugawa Shogunate determine that opening the country was Japan's best national policy. They could recognize almost instantly that they could not compete and defeat the Western modern powers represented by "Kurofune" with their inferior military force, and had

**See "Chief Executive Director" page 4**

## Japan in the Midst of a "Food Crisis"?



### Director's Dialogue

*Toshikatsu Mino  
Director of Agriculture  
Department,  
JETRO Chicago*

The prices of food staples such as corn, soybeans, wheat and rice have been at a record high worldwide since last year. Many factors are speculated as reasons for the hike, such as declining production in major producing countries due to poor weather globally, the increased demand for those grains to be used as renewable fuels such as ethanol, the tight supply caused by the increased demand in developing countries such as China and India, the soaring price of crude oil, the weak U.S. dollar, the influx of speculative money into the market of agricultural products, and the export controls in exporting countries. Arguments intended to determine who is the "main culprit" are intensifying among governments, legislative bodies, trade groups and researchers. The skyrocketing of prices was among the major topics discussed at the July G8 economic

summit held in Hokkaido, my home prefecture, and it has become a major global issue to be resolved. The Japanese mass media tackles this issue each day.

Given such conditions, agricultural and livestock production in the U.S. remains strong and stable. Partially due to the weak dollar, the demand for American agricultural and livestock products from other countries has been stronger.

Starvation and rioting in the poorest nations - triggered by the difficulty in obtaining food due to soaring food prices - have given rise to the expression, "food crisis." However, the tighter mid- and long-term food supply caused by the increased demand for grain as a renewable fuel or the increased demand in developing countries such as China and India did not occur abruptly. In recent years there has been a concern regarding the tighter supply as a "structural factor." In addition to those concerns, the outflow of speculative money from stock and bond markets due to the slower U.S. economy and the climbing price of crude oil have caused food prices to reach record highs. People of Japan should remember that the soaring food prices are caused by

**See "Director's Dialogue" on page 3**

## Mayor of Muncie, IN offers perspectives on Japan following visit



### Guest View

*Sharon K. McShurley  
Mayor  
Muncie, IN.*

What an honor to be asked to be the first Mayor to write a guest article for the JETRO Midwest newsletter. The timing is perfect as I recently returned from my first business trip

to Japan and my memories are still fresh. Some in our community insinuated that this recent ten day trip was a vacation. How wrong they were! Thanks to our consultant Larry Ingraham, Ingraham & Associates, Inc., Terry Murphy, Vice President, Muncie-Delaware County Economic Development Alliance and I traveled approximately 14,000 miles by air and 2,000 miles by train. The photos of Terry and I napping on the bullet train to and from long distance appointments are proof of how very busy our Japan schedule was!

**See "Guest View," page 4**

# JETRO Chicago

## Midwest Newsletter

July-August, 2008, Page 2

### In this issue ...

- *Japan Lecture Series set for St. Louis ... page 2*
- *Director's Dialogue: Food Crisis in Japan? ... page 1*
- *Monozukuri seminar in Indianapolis ... page 3*
- *JETRO to host reception at Midwest U.S. Japan Conference in Milwaukee ... page 3*
- **Back to Page 1**



### JETRO Chicago welcomes new Director of Technology

Yasushi Sumitani has been named Director of Technology for the JETRO Chicago office. Sumitani began his career at Japan's Ministry of International Trade and

Industry (now known as METI) in 1993, most recently as Deputy Director, Academia-Industry Cooperation Promotion Division, Industrial Science and Technology Policy and Environment Bureau, (METI).

He received his bachelor's and a Master's Degree from the University of Tokyo, and also received a Master's Degree from Yale University.

### Seminar at UM St. Louis planned for August 28

On Thursday, August 28, from 8:30 – 11:30 a.m., JETRO Chicago, along with The Center for International Studies, University of Missouri-St. Louis, The Japan America Society of St. Louis, and the St. Louis Regional Chamber and Growth Association (RCGA) will present, **Spotlight Japan II: Perspectives on Marketing & Relationship Building in the Business Community.**

Spotlight Japan is designed to examine the Japanese economy and business culture from a number of different viewpoints. The program will feature with Muneo Takashi, Chief Executive Director of JETRO Chicago, Ken Kabira, former Vice President and Chief Marketing Officer of McDonald's Japan and former Marketing Director of Kellogg's Japan, and Steven Gan, President of Stellar Risk Management Services Inc, who spent fifteen years in Tokyo growing his own company.

This special event will be held at the University of Missouri-St. Louis, at the Millennium Student Center, One University Boulevard. Registration and continental breakfast begins at 8:30 a.m. with the program from 9:00 – 11:30 a.m. Participation is free. Advance registration is required. To register, contact Robert Corder, JETRO Chicago at 312-832-6024.



## JETRO Around the Midwest

### Seminars, Meetings and Events



### JETRO visits Ohio

Representatives of JETRO Chicago visited with Ohio Lt. Governor Lee Fisher and Ohio Department of Development executives in Columbus, OH on June 4.

At left: (Standing left to right) Deborah Scherer, Director, International Trade Division, Ohio Dept., of Development, Ohio Lieutenant Governor Lee Fisher, Muneo Takashi, Chief Executive Director, JETRO Chicago, Scott Kuehn, Assistant Director, International Trade Div., ODoD, Randolph Hochstetter, Mission Coordinator, International Trade Div., Chadwick Smith, ODoD. (Kneeling) Kazuya Nakajo, Executive Director, JETRO Chicago., Kaz Akiyama, JETRO Business Advisor, State of Ohio, and Ralph Inforzato, Director, Business Dev., JETRO Chicago.



### JETRO Chicago in Indiana

At the Japan America Society of Indiana - 20th Anniversary Gala in Indianapolis on June 5: Kazuya Nakajo, Executive Director, JETRO Chicago; Theresa Kulczak, Executive Director, Japan America Society of Indiana; and Muneo Takashi, Chief Executive Director, JETRO Chicago.

### JETRO at BIO 2008

In June, JETRO Chicago organized the BioMission Workshops at the 2008 BIO International Conference in San Diego. Japanese life science companies met with large American pharmaceutical firms and learned the kinds of technologies they are interested in and how they collaborate with other companies.

(Above left) Kazuya Nakajo, JETRO Chicago, Muneo Takashi, JETRO Chicago, Tadashi Matsumoto of ReqMed (Tokyo), Ralph Inforzato, JETRO Chicago, and John G. Poulos, Abbott Laboratories

(Top right) Ralph Inforzato with Dr. Kevin Driscoll, Procter & Gamble Pharmaceuticals, Inc.

(Lower right) Shigeru Kimura, JETRO Los Angeles, John R. Tupman, Jr., Eli Lilly and Company and Muneo Takashi, Chief Executive Director, JETRO Chicago.



## JETRO helped 125 firms from around the world set up business in Japan in past year

According to statistics released May 26, 2008, a total of 125 firms utilized JETRO support and services to set up a business in Japan in the fiscal year that ended March 31, 2008. This represents an increase over the figure recorded in FY2006 (115).

JETRO assists companies around the world, reflected in the numbers of companies by country and region. 31 companies were from the U.S.; 17 were from Germany; 8 from the U.K.; 7 from France; 18 from China; 7 from Korea and 5 from Australia. India, Singapore, and Canada were among other home countries of assisted firms. These new entrants are spread across a wide range of industries, including software/content (24), services (24), machinery & equipment (16) and automobile & automobile parts (14). One interesting trend is that half of the companies are setting up offices in regions across Japan other than in Tokyo.

Services utilized include the six JETRO Invest Japan Business Support Centers (IBSCs) across the country, providing one-stop support and service to foreign firms seeking to set up business in Japan and free temporary office space, consultation with expert advisors and access to a wealth of business information. More than 500 firms have made use of the IBSC to set up their business in Japan since the first IBSC opened in Tokyo in 2003.

The complete release can be found at [www.jetro.go.jp/en/news/releases/20080526220-news](http://www.jetro.go.jp/en/news/releases/20080526220-news).

### In this issue ...

- *Guest View: Muncie Mayor visits Japan ... page 1*
- *Japan Lecture Series set for St. Louis ... page 2*

- *JETRO Around the Midwest: ... page 2*
  - *JETRO to host reception at Midwest U.S. Japan Conference in Milwaukee ... page 3*
- Back to Page 1**

## JETRO to present a taste of Chiba and Saitama as part of Midwest U.S.-Japan conference

Registrants of the 40th Annual Joint Meeting of The Midwest U.S. - Japan Association and The Japan - Midwest U.S. Association, in Milwaukee, Wisconsin, September 7-9, will be invited to a special "Japan Night" reception hosted by JETRO in the Empire Room of the Hilton Milwaukee City Center (the official conference hotel).


The reception, set for 8:30-10:30 p.m. on September 7, will feature a chance to sample a selection of regional specialties from the prefectures of Chiba and Saitama, along with sake, cocktails, sushi and hors d'oeuvres. Governor Akiko Domoto of Chiba and Governor Kiyoshi Ueda of Saitama are both scheduled to attend.

The theme of this year's conference is, "Midwest U.S. - Japan: Empowering Innovation for Tomorrow's Opportunities." As part of the programming, JETRO Chairman and CEO Yasuo Hayashi will be coming in from Tokyo to moderate a panel discussion. For more information on the conference including registration details and a conference agenda, visit the association website at: [www.midwest-japan.org](http://www.midwest-japan.org).

### Contact JETRO Chicago

JETRO Chicago is located at 1 East Wacker Drive, Suite 600, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066; website: [www.jetro.org](http://www.jetro.org)

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

For Invest-in-Japan and robotics information  contact Kevin Kalb, at [kevin\\_kalb@jetro.go.jp](mailto:kevin_kalb@jetro.go.jp).

For biotech information, contact Robert Corder, at [robert\\_corder@jetro.go.jp](mailto:robert_corder@jetro.go.jp)

## Indy seminar to look at Monozukuri practices for the automotive industry

On Tuesday, August 26, JETRO and The Japan-America Society of Indiana will present a luncheon and seminar that will closely examine Japan's philosophy of product making, known as monozukuri, specifically how it applies to the relationship between Japanese and U.S. companies serving the automotive industry.

As part of the 2008 US-Japan Manufacturing Technology Series, this unique event will offer Midwest companies practical guidance on obtaining and sustaining business relationships with Japanese manufacturers.

The seminar will encourage the continued development of the automotive industry toward further management interaction and cooperation between companies in the United States and Japan. Attendees will see examples of the best and most innovative practices, both by American and Japanese companies. The program will examine how Japanese manufacturers refine their production processes in the United States

and how American manufacturers enhance competitiveness by working with American-based Japanese companies.

The theme of monozukuri – the spirit and quest for manufacturing excellence – will be presented to American management as a catalyst to foster innovation, collaboration, interaction, and cooperation with their Japanese counterparts, and to share insights on the manufacturing philosophies and production processes in Japan.

Luncheon and seminar speakers include: **Ed Wulbrecht**, Vice President of Quality, Subaru of Indiana Automotive Inc.; **Nathan Feltman**, Secretary of Commerce, State of Indiana and CEO, Indiana Economic Development Corporation; **Ted Kawashima**, Director, Japan Auto Parts Industries Association (JAPIA), North America Office; **Kenji Tsujimura**, President & CEO, Aisin Holdings of America, Inc. of

**See "Monozukuri" page 4**

### Director's Dialogue ... from page 1

"structural factors," and we need to discern reports of a "food crisis" by some media as sensationalistic fear mongering. Those reports would have us incorrectly believe that we might soon run out of food.

The biofuel policy (mandatory renewable fuel standard, tax incentives, etc.) and influx of speculative money into the agricultural products market are being criticized more and more as the "main culprit" in the U.S. Certain related parties are demanding the review of those issues and correspondingly stricter regulations, and at each session of the U.S. Congress they being discussed.

However, the effect of the biofuel policy on food prices is perceived quite differently: the USDA considers its effect to be 3% of the cause, while the World Bank uses a figure of 70%. Those U.S. policies are based on the consensus of U.S. citizens' desire for "independence from traditional fuels" and "the security of market liquidity," and there is no sign that a review or stricter regulations will occur soon. The soaring price of corn is putting a strain on the operation of ethanol factories, but the demand for corn for ethanol is expected to continue to increase into 2009. Moreover, there is strict opposition to the regulation of speculative funds for fear it might diminish the market's liquidity.

As is clearly shown by the recent breakdown of agricultural negotiations at the WTO's Doha Round, it is very difficult to demand policy changes and achieve compromises among countries.

The decline of Japan's food self-sufficiency rate (calorie basis) shows no sign of stopping. In 2007 the rate dropped to 39%, and it remains the lowest among developed countries. There is no excellent measure for resolving such a food issue overnight. Japan should continue its efforts to increase its self-sufficiency rate as much as possible from the viewpoint of a stable food supply. We also need to search for ways to diversify food sources to include countries that have extra capacity to produce and export. Additionally, we must stay aware of the details of the agricultural policy and market trends in the U.S. and sustain a stable import program. Also, much can be asked of consumers, such as adjustments to their sometimes excessive demand for food safety, which is called the toughest in the world, and reexamining their dietary habit of nutritional balance. While realizing the strength, the depth, the overwhelming scale and the technologies of U.S. agriculture -- the world's largest -- I would like to continue my research activities so that I can assist in discussions based on objective data by providing accurate information.

# JETRO Chicago

## Midwest Newsletter

July-August, 2008, Page 4

### In this issue ...

- *Director's Dialogue: Food Crisis in Japan?* ... page 1
- *Japan Lecture Series in St. Louis* ... page 2
- *Monozukuri seminar in Indianapolis* ... page 3
- *JETRO to host reception at Midwest U.S. Japan Conference in Milwaukee* ... page 3
- **Back to Page 1**

### Chief Executive Director ... from page 1

little choice but to conclude the Friendship and Commerce Treaty with the U.S. It is amazing that they had an eye for the evaluation of modern technology even after two centuries of self-imposed isolation from overseas contact.

Today, the Japanese are said to be good at "Monozukuri" - manufacturing. I dare say that keen eye of the Japanese for technology since the days of "Kurofune" must have cultivated the foundation of "Monozukuri." Japan is a highly homogeneous, high-context society where dense communication is realized without using much of linguistic expression or explanation. Such a society seems advantageous as a platform of Japanese style of "Monozukuri" where a frequent exchange of views and discussions are established as a custom between relevant departments within a company or between assembly and component makers. This kind of social background may be also working to push one of the typically Japanese style of "Monozukuri" products-- automobiles -- to the top in the world.

Professor Takahiro Fujimoto, Executive Director of Tokyo University's Manufacturing Research Center calls this Japanese style of Monozukuri a "Suriawase" or "Integral" type of manufacturing. The automobile is a representative "Suriawase" type of product which cannot demonstrate its own performance fully as a total system unless most of the components used in it are engineered specifically for that very product and subtly adjusted between each component as well as a whole. On the other hand, a personal computer system is a typical "Kumiawase" or "Modular" type of product which can be completed by combining pre-engineered and standardized components ingeniously.

Last year JETRO Chicago began a new series of seminar on "Monozukuri" for the automotive industry, with the latest set for August 26 in Indianapolis. I believe this seminar provides a good opportunity for both Japanese affiliated OEMs or Tier 1 manufacturers in the Midwest US and the local US Tier 1 or Tier 2 manufacturers to learn mutual ways of "Monozukuri" that will create fusion or hybrid products by blending the best portions of each skill and technology. Please join us, if you can.

### Guest View ... from page 1

During my June trip to Japan I had the opportunity to visit Tokyo, Nagoya, Kyoto, Utsunomiya and Kakuda City near Sendai. Traveling by train gave me the opportunity to see not only many cities and towns but the countryside as well. I was struck by the beauty, the efficient use of space, the cleanliness and orderliness of both the urban and undeveloped areas. Japan is indeed a beautiful country.

The mass transportation system in Japan makes me envious for Indiana. I am currently participating in meetings on commuter rail possibilities between Muncie and Bloomington via Indianapolis, and I often find myself referring to my experiences traveling by train in Japan. The trains were always on time and impeccably clean. The efficiency and politeness of the staff were also amazing.

The Japanese business people are very hospitable. During our meetings I was always offered refreshments, often treated to lunch or dinner and was treated with the highest regard at all times. I truly felt this is how royalty must feel. The respectfulness was very noticeable to me as an elected official. Often elected officials are treated with disregard and disdain here in the United States. I was very impressed and have shared my experiences frequently with family, friends, business associates and the media! I am always surprised, and it doesn't matter which country I'm in, at how few females are in the meetings I attend. In that sense, both countries share a similarity. I currently do not speak the Japanese language, nor understand its nuances, and though many of our Japanese contacts could understand the English language, having a consultant that was bilingual was a tremendous asset for me.

I traveled to Japan for several reasons. I wanted to introduce myself to Mr. Tomikazu Fukuda, Governor of Tochigi Prefecture, Indiana's sister-state, and Governor Fukuda was gracious enough to find time in his busy

### Monozukuri ... from page 3

Seymour, Indiana; **Atsushi Terada**, President, JMA Consultants America, Inc.; **David Thomas**, Vice President, Keihin Michigan Manufacturing, LLC; **Fred Gehring**, President, Woodstock Stampings, Inc.; **Mark Dilley**, President, Unitek Sealing Solutions, Inc. of LaPorte, Indiana; **Yosuke Yanagase**, President, Kowa Inc. of Farmington Hills, Michigan; **P.J. Thompson**, President & COO, TransMatic of Holland, Michigan, and **Glenn Stevens**, Vice President, Sales and Marketing, Original Equipment Suppliers Association (OESA); along with **Muneo Takashi, Kazuya Nakajo and Ralph Inforzato** of JETRO Chicago.

Supporting organizations for this event include: the Indiana Economic Development Corporation, the Original Equipment Suppliers



Mayor McShurley at a business meeting in Japan

schedule to give me the opportunity to do so. His staff was very efficient, and I was intrigued that he was informed about my own political race last year.

I also wanted to visit the new incoming President of Keihin Corporation, Mr. Kunimichi Odagaki, and to tour one of Keihin's plants in Kakuda City. The City of Muncie is delighted that in 2001 we became home to Keihin Aircon, USA. As mayor of the largest city in our region, I recognize the importance of Japanese investment and how it can impact both a city and the surrounding region. During my trip it was important to me to show my respect of the current investment Keihin has made in our community and make known our appreciation.

And lastly, I wanted to meet with Japanese business leaders who are considering investing in the U.S. and tell them about what the City of Muncie and Delaware County, Indiana have to offer. Officials from our community have traveled to Japan for the past several years now, and as a result, professional relationships have been established and developed. It is my priority, as mayor of the City of Muncie, to maintain and develop those ties as we compete with other communities in this global society. Our Japan business trip proved to be very successful as we came home with several solid investment leads, and we will be welcoming one of those companies for a site visit in Muncie very soon.

Next, I look forward to representing my community at the important Midwest U.S. - Japan Association conference in Milwaukee this September.

Association (OESA), the Japan Auto Parts Industries Association (JAPIA), and the Indiana Manufacturers Association.

The event will take place at the Hyatt Regency Indianapolis, One South Capitol Avenue, Indianapolis, IN. Registration will begin at 11:30 a.m., with the included luncheon at noon, the seminar at 1:30 p.m., and the networking reception at 5:30 p.m.

Advance registration is required through the Japan-America Society of Indiana: 317-635-0123 or john.lajiness@japanindiana.org. The cost is \$50 per person, including the lunch and reception. For additional program information, contact Kevin Kalb at JETRO Chicago: 312-832-6023 or Kevin\_Kalb@jetro.go.jp.

More information, including the registration form, is at [www.jetro.org/monozukuri](http://www.jetro.org/monozukuri).