

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

In this issue ...

- *JETRO Around the Midwest ... page 2*
- *Busy schedule of events for JETRO ... page 2*
- *Director's Dialogue: Progress for Kobe-Minnesota "local-to-local" program ... page 3*
- *Ask JETRO: Free office space in Japan? ... page 3*

JETRO Survey shows foreign firms in Japan have favorable view

According to a survey released by JETRO in December, the majority of foreign-affiliated firms* operating in Japan have a favorable view of their business performance in the country.

Nearly two thirds of respondents (62.5%) reported increased year-over-year sales, 1.2-points down from last year but still reflecting strong business performance; while just 16.0% reported decreased sales (down 4.7 points over the 2005 figure), the lowest percentage since the survey began in 1996.

58% of firms plan to expand their business in the future, on the back of this year's strong performance.

The survey also polled firms about challenges to setting up/expanding business in Japan. The majority of respondents cited "difficulty in securing personnel" (66.6%), reflecting increased competition for qualified staff amidst the general climate of strong business performance.

According to the survey, 41.5% of respondents increased their number of personnel, while 13.6% trimmed staffing levels. More than half of respondents (52.4%) plan to hire new employees, while just 1.9% will reduce their number of personnel.

More than half of respondents (55.9%) reported that they have business partnerships with Japanese firms, while 38.4% reported that they did not.

Nearly half of all respondents (47.3%) viewed business alliances with Japanese firms as important to their success in the Japan market. The figure rises to 71.9% when combined

See "Survey" on page 3

JETRO 2007 wish list includes successful Midwest-Japan collaboration



From the Chief Executive Director

*Takashi "Taka" Tsuchiya,
Chief Executive Director,
JETRO Chicago*

Happy New Year!

For the first issue of 2007, I would like to describe how the beginning of the year began for me, all though the timing may be off a bit.

In Japan, on January 1st people visit shrines and temples as families in order to make wishes for the New Year. They offer monetary donations and prayers hoping that their wishes will be granted. As for me this year, I was at the Magic Kingdom at Disney World with my family on the eve of the New Year. Unlike the traditional Japanese

way of making wishes, I made my wishes upon the stars (this is quite fitting when at Disney World) as soon as the countdown and fireworks ended after midnight.

My wish list is long (longer as I get older), but promoting more business alliances between America and Japan is certainly one with top priority.

In this sense, I am proud to explain a little bit about JETRO Chicago's plan for 2007. Actually it is lined up with many substantial projects, starting with the participation in the Consumer Electronics Show in January, highlighting Japanese robotic technology and concluding the year with a symposium on "East Asia Economic Integration", in December.

In the biotechnology field, JETRO will participate in BIO 2007 to be held Boston in May with 40 booths. In September, there will be Bio Japan in Yokohama and JETRO will arrange business matching in conjunction

See "Chief Executive Director" page 2

Nebraska Lt. Governor Sheehy Leads Trade Mission To Japan, Opens Nebraska Center



Guest View

*Joe Chapuran,
International Manager,
Nebraska Department
of Economic
Development*

Last November, Nebraska Lt. Governor Rick Sheehy and a 30-member delegation embarked on a trade mission to Japan where they celebrated the grand opening of The Nebraska Center foreign trade office in Tokyo.

The mission involved extensive coordination among the Nebraska Department of Economic

Development, Japan office staff, JETRO, U.S. embassy officials, counterparts in Shizuoka Prefecture, and others to facilitate increased business and other opportunities between Japan and Nebraska.

While there, Nebraska and Japanese company officials discussed wide-ranging business



Lt. Governor Sheehy in Japan

See "Guest View" on page 4

JETRO Chicago

Midwest Newsletter

January-February 2007, Page 2

In this issue ...

- *JETRO Around the Midwest ... page 2*
- *Busy schedule of events for JETRO ... page 2*
- *Director's Dialogue: Progress for Kobe-Minnesota "local-to-local" program ... page 3*
- *Ask JETRO: Free office space in Japan? ... page 3*
- *JETRO and Japanese robotics companies at the Consumer Electronics Show ... page 3*

Back to Page 1

Chief Executive Director ... from page 1

with the show. In robots and robotic technology, we will participate in the ROBO Business Conference and Expo in Boston in May and the International Robots and Vision Show in Chicago in June. We will also organize a symposium on collaboration between America and Japan in robotic technology in late November in Tokyo.

Besides the industry specific fields mentioned above, we continue our efforts to draw your attention to Japan for the many business opportunities available. In this area, one of the programs we concentrate on is the Japan Lecture Series, in which we collaborate with universities, chambers of commerce and state governments with regards to holding seminars. At this point, such events are planned for Bloomington, Indiana, Des Moines, Iowa, Schaumburg, Illinois and Indianapolis, Indiana. We are also looking for such opportunities in Kansas, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

We are committed to promoting business between America and Japan. Please give us your continued support.

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

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

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

For biotech information, contact David Peterson at David_Peterson@jetro.go.jp

This material is edited, issued and circulated by JETRO Chicago, One East Wacker Drive, Suite 600, Chicago IL 60601. Additional information is available at the Department of Justice



JETRO Around the Midwest

Seminars, Meetings and Events



This past November 10, Yuji Shiozaki, JETRO Chicago's Director of Industrial Machinery, addressed attendees to the Robotics Industry Association's Robotics Industry Forum in Orlando.



On a recent tour of the U.S., Yoshihide Kuzumoto, Director General, Economic Affairs Bureau of the Osaka Municipal Government, met with Illinois Lt. Governor Pat Quinn. The tour also included meetings with Midwest technology companies, business and academic leaders, and a trip to the Consumer Electronics Show in Las Vegas.



On January 24, JETRO Chicago presented a Japan Lecture Series seminar at Indiana University's Kelley School of Business, as students prepared for a trip to Japan. At left, Loring W. Knoblauch, President and CEO (Retired) Underwriters Laboratories Inc., Daniel Smith, Dean, Kelley School of Business, Indiana University, Takashi Tsuchiya, Chief Executive Director, JETRO Chicago and Kentaro Yamamoto, MBA student at the Kelley School.



Julian Mikols, JETRO Chicago's intern for the autumn of 2006, is presented with a certificate of appreciation from Chief Executive Director Takashi Tsuchiya, upon completion of her internship.

JETRO Chicago plans for a busy Spring season

JETRO's schedule of 2007 programs is well underway, including February Japan Lecture Series at **Roosevelt University in Schaumburg, IL on February 15**, in **Indianapolis, IN on February 20**, and at **DePaul University in Chicago on February 23**. Additional JLS events are planned for Kansas University, and other locations around the Midwest.

JETRO Chicago's series of seminars for Japanese businesses continues with sessions in Detroit on February 22 and in Chicago on February 23. The sessions will help local Japanese businesses in working with Mexican companies.

Plans are also underway for two major **U.S.-Japan Manufacturing**

Technologies Seminars ... also in the Detroit and Chicago areas. These will likely take place in late April.

Following up on the success at last year's BIO 2006 conference in Chicago, JETRO will have a major presence at **BIO 2007 in Boston, MA**. The Japan Pavilion will once again be home to dozens of Japanese companies seeking collaboration and business relationships with U.S. companies.

For information on JLS sessions, email Kelly Denewellis (kelly_denewellis@jetro.go.jp). For information on Manufacturing Technologies programs, contact Hideki Sho (hideki_sho@jetro.go.jp); and for biotech events, contact David Peterson (David_Peterson@jetro.go.jp).

In this issue ...

- JETRO Around the Midwest ... page 2
- Busy schedule of events for JETRO ... page 2

- JETRO and Japanese robotics companies at the Consumer Electronics Show ... page 3
- Back to Page 1



Ask JETRO

Where can I get online information on JETRO's free office space in Japan?

One of the most attractive benefits of working with JETRO to establish a business presence in Japan, is the potential use of free temporary office space and services at a JETRO IBSC.

The JETRO IBSC (Invest Japan Business Support Center) is a business facility which provides you with the most convenient and cost-effective way to enter or expand your business in Japan. Over 1,000 JETRO clients have used the IBSC in Japan for activities such as conducting market research, finding new partners and setting up their offices. As the office facilities and support services are provided to JETRO clients free of charge, using the IBSC while opening your office in Japan will result in a substantial savings in time and money.

The JETRO USA website now has expanded information about the IBSC program. You'll find a detailed pictorial overview of typical facilities, a list of the available support services, frequently asked questions about the program, and information on how to apply for the IBSC program (including an online inquiry form).

Check out all the online IBSC information at www.jetro.org/ibsc.

Survey ... from page 1

with the 24.6% figure for firms viewing such alliances as "somewhat necessary." Among respondents with business alliances with Japanese firms, a full 93.7% view them as necessary to their success in Japan; 47.1% of firms with no such alliances still view them as necessary, according to the survey.

To view the complete press release on this survey, visit the "News & Press Releases" section of the JETRO Headquarters website at www.jetro.go.jp.

**In the survey, a foreign-affiliated firm refers to a Japanese branch of a foreign company or a company with more than a third of its shares held by a foreign company, as of data for 2006.*

Kobe-Minnesota "Local to Local" Collaboration Bears Fruit



Director's Dialogue

David Peterson,
Project Manager
JETRO Chicago

"Local to Local" industry promotion programs are one of the key tools that JETRO Chicago uses to achieve the goal of creating meaningful and lasting ties between the business communities of the Midwest and Japan. Through these programs, which typically last for two years, JETRO devotes its resources to forging a tie between a particular international locale and a counterpart in Japan, focusing on a particular sector where both show strength and promise. Since the spring of 2005, JETRO Chicago has undertaken such a project, bringing together the medical device communities of Kobe, Japan and the state of Minnesota.

Minnesota's eminence in the medical device field is well known in the U.S. and abroad, and, with major life science institutions like the RIKEN Center for Developmental Biology and the Spring 8 particle accelerator in nearby Haruma complementing a strong entrepreneurial



Dr. Takafumi Tsurui of Kobe Material Testing Laboratory presents at the University of Minnesota in June, 2005.

tradition in the precision manufacturing space, Kobe's medical device sector has tremendous global potential. In order to build on this potential while at the same time rebuilding the city after a major earthquake in 1995, the City of Kobe instituted the Kobe Medical Industry Development Project, creating a district in the Port Island area of the city designated for support institutions and facilities designed to foster growth in the medical industries.

In order to jumpstart the new business and research relationships that would spring from this program, JETRO Chicago began by bringing several delegations from the Kobe medical device community to Minnesota to meet with the University of Minnesota; the local BIO affiliate, Life Science Alley; and Minnesota government and corporate leaders.

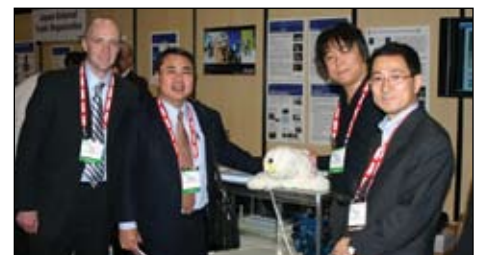
See "Director's Dialogue" on page 4

JETRO represented at CES 2007

By Kevin Kalb, JETRO Chicago

JETRO's presence was felt at the 40th Annual Consumer Electronics Show in Las Vegas. By far one of the biggest and most important trade shows in the US, companies from around the world flock to CES to showcase their latest electronic gadgets and cutting edge technologies. The CES exhibition also serves as a key opportunity for industry networking, and with over 140,000 attendees (26,000 international attendees) at the weeklong show, JETRO definitely sought trade and investment opportunities.

JETRO participated in CES with two different missions. First was to offer business-matching services by facilitating one-on-one private meetings between American and Japanese companies, where more than 100 meetings were conducted in four days.



With the Paro Robot Seal at CES are Kevin Kalb and Takashi Tsuchiya of JETRO Chicago, Dr. Takanori Shibata, developer of Paro, and Hideki Sho of JETRO Chicago.

JETRO's second mission was a booth in the Consumer Robotics Pavilion in the Emerging Technology Zone. As part of METI's (Ministry of Economy, Trade, and Industry) new push to advance the robotics industry in Japan, several robots were on display from Systec Akazawa, ZMP Inc., Ecchandes Inc., Kokoro Inc., Robot Laboratory and the National

See "CES" on page 4

JETRO Chicago

Midwest Newsletter

January-February 2007, Page 4

In this issue ...

- *JETRO Around the Midwest ... page 2*
- *Busy schedule of events for JETRO ... page 2*
- *Director's Dialogue: Progress for Kobe-Minnesota "local-to-local program ... page 3*
- *Ask JETRO: Free office space in Japan? ... page 3*
- *JETRO and Japanese robotics companies at the Consumer Electronics Show ... page 3*

Back to Page 1

Director's Dialogue...from page 3

Representatives from the City of Kobe, Kobe University, the Kobe Material Testing Laboratory and several Kobe companies outlined their plans for the future and related the challenges they face to their counterparts in Minnesota. Through this exploratory process the first nodes of the Kobe-Minnesota network were set, new contacts were developed and eventually participants in both regions were able to reach counterparts whose interests corresponded to their own. The network continued to expand as Minnesotans traveled to Kobe to make presentations and witness Kobe's development as a medical device hub at conferences such as the inaugural Kobe International Life Science Partnering Forum in September 2006.

The pace of international relationship building is typically slow and deliberate, much like the pace of development in the medical device industry. That is what makes it remarkable that this local-to-local project can already point to tangible results after two short years. Importantly, just this past fall the University of Minnesota's Department of Electrical and Computer Engineering and the Kobe Material Testing Laboratory signed a contract to work together on an ultrasound catheter project. The catheter was first developed in the laboratory of Dr. Takafumi Tsurui in Kobe, who was able to find a collaborator in Minnesota, Dr. Emad Ebbini, with precisely the expertise in ultrasound technology that was needed to move the project forward. Drs. Ebbini and Tsurui have already made significant progress on the device, which will one day hopefully allow doctors to use the catheter to ultrasonically characterize the size, shape, and density of an arterial blockage and then disperse it. The ability to accomplish this ultrasonically rather than mechanically represents a significant advancement over previous technologies..

As members of the medical device community in Kobe continue to work with their new colleagues in Minnesota, and as their connections expand and grow deeper, more successful collaborations are sure to result.

Prof. Emad Ebbini of the Department of Computer and Electrical Engineering, and Dalong Liu, PhD Candidate in Biomedical Engineering, University of Minnesota.



Guest View ... from page 3

opportunities. Nebraska medical representatives (including the University of Nebraska Medical Center, a key Nebraska Center sponsoring partner), met with Japanese partners to explore opportunities for research, health care training, technology transfer, and future patient referrals. State and regional economic development specialists shared and promoted the advantages of conducting business in Nebraska with prospective Japanese companies.

Delegates visited Kobe, Shizuoka Prefecture, and Tokyo. The mission concluded with a reception in Tokyo attended by more than 200 leaders from Japanese businesses, industries, and government agencies.

We also had the opportunity to promote an upcoming technology transfer training program in Nebraska, March 3-7, which is specifically designed for Japanese researchers, technology transfer representatives and company officials involved with licensing technologies.

Staff from the University of Nebraska Food Processing Center met with many food-related companies in Japan. The Center works with international companies on a variety of issues related to food production, including product development, marketing strategies and safety issues. The state looks forward to helping Japanese food-related companies enter the U.S. market, or establish partnerships with the Center and Nebraska food producers to develop more products for the Japanese market.

CES ... from page 3

Institute of Advanced Science and Technology (IAST).

Catching the most attention was the lovable Paro, a therapeutic robotic seal, which also was designated as one of ten robots to win Japan's (METI's) first annual Robot of the Year Award. Developed by Dr. Takanori Shibata of IAST, Paro has demonstrated positive psychological, physiological, and social effects on the elderly in nursing homes as well as with sick children, and research has proven Paro as an excellent alternative to animal therapy. While Paro is still only available in the Japanese market, it is likely to make its American debut on the market in late 2007.

Another robot on display was Plen,

State agricultural leaders visited retail and wholesale distributors and their customers, including hotel and restaurant owners with the goal of identifying opportunities and working to address challenges of marketing Nebraska beef and pork products throughout Japan.

Nebraska Lt. Governor Sheehy was very impressed with Japan's industry base and ability to work with the best and brightest people in the world, as well as Nebraska's and Japan's mutual principles, positive reciprocal economic growth potential, focus on long-term development and relationship building, and positive history of companies working together.

JETRO's assistance was key in the success of the mission, grand opening of The Nebraska Center, and Tokyo reception with its special list of attendees. Nebraska delegates were especially appreciative of the speech given by Mr. Tomohiro Washio, JETRO executive vice president. In particular, JETRO's Invest Japan Business Support Center's willingness to regularly meet with me and Koji Nagasaka, executive director of The Nebraska Center helped smooth the process of opening the overseas office.

Having a Japan office in the heart of Tokyo gives Nebraska consistent, ongoing representation there that now allows the state to advance an already great relationship to the next level. Based on the enthusiasm of all who participated in the mission, it is clear that both sides are ready to work more closely together for mutual benefits and limitless opportunities.

For information, contact Joe Chapuran, 402-595-1416, or email: joe.chapuran@ded.ne.gov.

a small humanoid robot capable of roller-skating, riding a skateboard, and standing up on its own after laying on its back. Created by Natsuo Akazawa of Systec Akazawa in Osaka, Plen is still only available in Japan.

Finally, another innovative robotics company, ZMP Inc. of Tokyo, was on hand displaying Miuro, a multi-function music player that will actually follow you around the house jamming your favorite tunes. With its built-in sensors and cameras, Miuro creates an internal map of the rooms of the house in which the user wants to listen to music, and autonomously follows the user around. Miuro should be arriving in the U.S. in the second half of 2007.

JETRO will continue working to build business alliances between US and Japanese companies in robotics and other high tech industries. The successes garnered at CES make for an excellent start to 2007.