

JETRO Chicago Midwest NEWSLETTER

Japan External Trade Organization

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St. Paul nanotech company describes keys to success through partnership



Guest View

*Jon Brodd
CEO
Cima NanoTech, Inc.*

Cima NanoTech was invited to represent North America as an early stage nanotechnology company at the recent International Nanotechnology Business Summit in Tokyo. Co-panelists included CTOs of Hitachi and Teijin. The topic of the on-stage discussion was "World Business Collaboration through Nanotechnology." Over 48,000 people attended the conference which is by far the world's largest conference covering this exciting and rapidly emerging industry.

Cima was invited due to its focus in nanotechnology as well as it's network of partnerships throughout Japan. That network starts with a venture capital investor base including Mitsubishi's Nanotech Partners, Nikko Antfactory, and Bridge Capital in Tokyo. The network extends through its key manufacturing partnership with Toda Kogyo Corp. in Hiroshima. The relationship with Toda Kogyo started in 2003 and is really a key to the company's early success, as it has

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Manufacturing philosophies among Japanese and U.S. companies to be focus of Chicago and Detroit seminars

Industrial globalization has brought about rapid progress in multinational affiliations among manufacturers, as seen in the automobile industry between Japan and the United States.

On Monday, April 23 in Chicago and Wednesday, April 25 in Detroit (Plymouth), JETRO Chicago will present afternoon seminars examining the philosophies that are changing the development and quality of both the manufacturing and the affiliations.

The program is entitled "The Mindset of Monozukuri: Enhancing Collaboration between North American and Japanese Enterprises & Sustaining a Culture of Manufacturing Talent,"

and will concentrate on ways to create greater supplier relations between North American and Japanese enterprises. The program is designed for both American and Japanese companies, industrial organizations and other manufacturing industries in the Midwest U.S., including those industries related to automobile manufacturing, machinery, and parts production.

In Japanese, the words mono (thing) and zukuri (process of making) when taken together literally mean the process of making or creating things. However, the translation

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Helping to increase the visibility of Japanese companies in local communities



From the Chief Executive Director

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

There is a Japanese proverb "Nou aru Taka wa Tsumewo Kakusu," literally translated as "a hawk having ability covers a talon." The meaning of this proverb is a talented person does not need to show off. The Japanese virtue is placed on keeping a low profile.

Obviously, the opposite side of the spectrum is the American expression "the squeaky wheel gets oiled." The value of keeping a low profile seems to shape the behavior of Japanese affiliated companies located in the United States.

This is the reason I invited representatives from two Japanese affiliated companies

located in Schaumburg, Illinois to make presentations at a seminar on doing business with Japan, held at Roosevelt University's Schaumburg campus on the evening of February 15th.

This seminar was co-organized by Roosevelt University, and was entitled "Inside-Outside Japan: Three Unique Perspectives on Japan and the Schaumburg Area." Adding two local speakers certainly increased the attraction of local news media, as well as the size of the audience (more than 200 were in attendance, an increase by 100 over a previous seminar held at the same venue without local presentations). The Mayor of Schaumburg expressed his gratitude to the two Japanese affiliated companies for operating in his village.

My personal opinion with regards to his opening greeting was that the fact that Japanese companies have operations in his village and employ people from his village is in itself very important and quite

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newsworthy. Whether or not these Japanese companies make philanthropic contributions to the local community is secondary, however it would be most appreciated.

What I have learned from this event is that there are huge interests on the part of the people in the community as to what the Japanese companies are doing in their community. I feel that this is probably the task of a Japan based international organization, such as JETRO, to act as a cross-cultural mediator to create opportunities for Japanese affiliated companies to relate to the local communities, and perhaps increase their visibility.

However, at the same time, I feel that I have to act with the Japanese virtue of modesty which is apparent in the Japanese proverbs "Sugitaru wa Oyobazarugotoshi" (Too much is as bad as too little) and "Deru Kui wa Utareru" (The nail that sticks out will get a pounding).

Bridging the cultural gap for better understanding is difficult, but interesting.

JETRO Chicago's Chief Executive Director Takashi Tsuchiya (right) and Yoshio Takehara, JETRO Business Advisor (left), meet with Tamotsu Shinotsuka, Consul General of Japan in Detroit.



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JETRO Around the Midwest

Seminars, Meetings and Events



In February, more than 70 people attended the Japan Lecture Series event in Indianapolis, featuring speaker Tim Clark and JETRO's Takashi Tsuchiya.

At left, Tim Clark and Theresa Kulczak of the Japan America Society of Indiana chat with Jane Gelhausen, of the World Trade Club of Indiana.



Below left, Mr. Tsuchiya and Mr. Clark meet with Nathan Feltman, Indiana Secretary of Commerce.



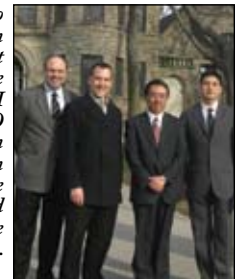
On January 31, JETRO and the Japan Lecture Series visited Des Moines, Iowa. Top left, Paul Yamaguchi, President, Paul Yamaguchi and Associates, Inc., and Steven Gan, President, Stellar Risk Management Services, Inc., deliver their presentations. Bottom left, Taka Tsuchiya, JETRO Chicago, meets with Lynn Hicks, Executive Business Editor of The Des Moines Register



At right, JETRO's Ralph Inforzato (left) and Hideki Shoji (right) meet with Christer Fjellgren, President of Thomas Magnete USA, LLC, Brookfield, WI, on March 7. Mr. Fjellgren was a participant on the JETRO Auto Parts Investment Mission to Nagoya and Hiroshima this past February.



JETRO Chicago brought a Japan Lecture Series event to Hope College in Zeeland, MI recently. The JETRO team is pictured on campus with Jason Spaulding, Lakeshore Advantage, and a Hope College alumnus.



On Friday, February 23, JETRO Chicago provided a briefing to the DePaul University's latest Mission to Japan. The session included a visit by the therapeutic seal robot PARO, shown above left with a DePaul student.

Full house greets JETRO Seminar in Schaumburg, IL



More than 200 area business people, students and civic leaders packed the room at Roosevelt University's Schaumburg campus on February 14, as JETRO presented a look at Japanese businesses in Chicago's northwest suburbs.

At right, Schaumburg Mayor Al Larson holds up a copy of the Daily Herald that features a story on Japanese business in the area.



(Left) JETRO Chicago's Chief Executive Director Taka Tsuchiya greets Roosevelt University President Charles Middleton and Blake Thatcher, Vice President & General Counsel, Omron Management Center of America, Inc. Other speakers included (below left) Mr. Steven Gan, Stellar Risk Management Services, Inc.; and (below) William Terry, Senior Vice President of Sales, THK America, Inc.



At right, Mayor Larson is greeted by JETRO's Taka Tsuchiya.



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Ask JETRO

Does JETRO help very many companies set up business in Japan each year?

Most readers are familiar with the range of business services that JETRO provides, both in Japan and in countries around the world.

It's good to know that those efforts and services actually result in businesses locating in Japan.

According to a report published by JETRO in February 2007, during the first nine months of Fiscal Year 2006, (April 2006 to December 2006), a total of 77 foreign companies, who made use of the services provided by JETRO, have set up a business in Japan. The number has increased from 66 over the same period in FY2005.

In terms of the companies' origin, 28 companies are from Asia/Pacific region, 25 from Europe, and 23 from North America.

Based solely on the number of companies that JETRO has supported over the past three years, there tends to be a trend which shows the following: 1) locations where the foreign companies set up offices are not limited to Tokyo but widely spread over the country, 2) the number of European and Asian/Pacific companies is increasing, although US companies still constitutes the largest number.

JETRO operates Invest Japan Business Support Centers (IBSCs) to provide one-stop service to foreign firms seeking to set-up business in Japan. The service includes: providing information on the regulations and incentives from national and local governments, helping with procedural requirements for establishing a business, finding location and qualified staff, and offering temporary offices that can be used free of charge for up to 50 business days, etc. IBSCs have supported 381 companies in setting up a business in Japan since their launch in 2003.

Japan Lecture Series delivers top speakers to diverse audiences



Director's Dialogue

Kelly Denewellis,
Assistant Director
JETRO Chicago

In the fall of 2002, JETRO Chicago established the Japan Lecture Series Program (JLS), an outreach program on business and economic trends in Japan to better serve the needs of Midwestern colleges and universities. However, in the years since its inception, this program has also included partnering with chambers of commerce and state economic development agencies among other organizations. The main objectives of this program are to simply inform, interact and develop a dialogue with the community on Japan-related business topics.

JETRO Chicago has a large network of contacts both in Japan and in the United States and

we are more than pleased to bring these individuals to the Midwest as speakers. High caliber speakers who have been a part of our programs in the past include: Arthur Alexander (Georgetown University); Tim Clark (Portland State University); Steven Gan (Stellar Risk Management Services); Yoshihiko Kawamura (Mitsubishi International Corporation); and Paul Yamaguchi (Paul Yamaguchi & Associates), to name a few.

Each program is designed to meet the specific Japan related interest of the local community and this is accomplished by the collaboration between JETRO and the host organization. We focus on four main themes for each program: 1) new developments in the Japanese market; 2) new insights and business trends in Japan; 3) the current Midwest-Japan economic relationship; and 4) the status of what Japanese companies are doing in the Midwest.

To better illustrate the JLS, I would like to touch upon two programs that were held this year. On January 31, we held a program in Des Moines,

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JLS session is just part of a busy day in Indy

A typical day in the life of a Japan Lecture Series (JLS) event often involves numerous interactions, as JETRO Chicago's JLS team experienced in Indianapolis this past February. Beginning the day, Chief Executive Director Taka Tsuchiya led the JETRO team to the Indiana Economic Development Corporation, where Tsuchiya discussed the dynamic and strong economic relationship between Japan and Indiana with Secretary of Commerce Nathan Feltman and Director of International Development Steven Akard.

Following this meeting, the JETRO team split up for separate luncheon events. Tsuchiya welcomed Tim Clark, co-author of "Saying Yes to Japan," to Kelley School of Business faculty at Indiana University-Purdue University Indianapolis (IUPUI), as well as to IUPUI Chancellor Charles Bantz. Then, Clark spoke to an undergraduate class of 150 business students, spurring further interest in Japanese culture, society, and its economy.

Meanwhile, JETRO Chicago Director of Business Development Ralph Inforzato spoke to a luncheon sponsored by Indy Partnership about the life sciences market in Japan, and

specifically about JETRO's biotech activities linking the Japanese and North American life sciences communities.

Next, the JETRO team then took their story to the Hoosier Press. Tsuchiya met with a reporter from the Indianapolis Star and discussed the presence of Japanese companies in Indiana, and the future potential for furthering Japan's successful economic relationship with the Midwest. Tsuchiya then took Japan's message to the Indianapolis Business Journal, where he continued highlighting the importance of Japan's relationship with the Midwest.

Finally, the time had arrived for the JLS evening seminar program, Inside-Outside Japan: the Economy, the Midwest, and the Phenomenon of Cultural Arbitrage, sponsored by the Japan-America Society, Inc. and the World Trade Club of Indiana. Both Mr. Tsuchiya and Mr. Clark presented to a crowd of over 75 people eager to learn more about new business trends in the Japanese market. It was a fine finish to a "typical" day in the life of the JETRO Chicago JLS team.

Kevin Kalb
Project Coordinator, JETRO Chicago

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Iowa, in cooperation with The Greater Des Moines Partnership and the Iowa Department of Economic Development. The focus was the many opportunities available for Iowa companies in the Japanese marketplace. JETRO Chicago's Chief Executive Director, Takashi Tsuchiya, gave an update on Japan's economy; Paul Yamaguchi, President of Yamaguchi & Associates, Inc., offered expertise on Japan's nutraceutical and organic markets, and practical guidance on product entry, and Steven Gan, President of Stellar Risk Management Services, Inc., provided firsthand experience about how he developed his own business in Japan and challenges he encountered. More than 80 people attended and the feedback received was quite positive. We were even approached by the University of Northern Iowa to host a program there this fall.

The next program was held on February 15 on the Roosevelt University campus in Schaumburg, Illinois. This was the second time that JETRO held a JLS with Roosevelt University. This particular program was entitled, "Inside-Outside Japan: Three Unique Perspectives on Japan and the Schaumburg Area." There is such a large number of Japanese affiliated companies located in the Schaumburg area that we thought it was important to inform the community the reasons they decided to locate there. The three perspectives that were highlighted were: 1. Perspectives on the revived Japanese economy and Japanese companies in Illinois; 2. Perspectives on American entrepreneurial activities in Japan; and 3. Perspectives on cross-cultural human resource issues and advice to students interviewing with Japanese companies. Presenters from Japanese affiliated companies included William Terry, Senior Vice President of Sales, THK America, Inc., and Blake Thatcher, Vice President & General Counsel, Omron Management Center of America, Inc. Other speakers included Taka Tsuchiya and Steven Gan. The interest in this program generated over 200 people in attendance.

Groups large and small come to meet and listen to our representatives speak on Japan's economy, and the role JETRO plays as a trade and investment promotion agency. In fact, 2006-07 has been a record year for this program. We have held 13 programs with over 800 attendees. Needless to say, many more programs will follow. We are very pleased to be collaborating with local Midwest communities and introducing them to American and Japanese thought-leaders.

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resulted in the industry's first commercial nano-metal manufacturing facility that came on-line in early 2006. The relationship was initiated via a mutual 3M connection. I had recently left 3M to pursue the opportunity with Cima while Toda had years of experience working with 3M as a supplier to their tape business.

The partnership is an ideal fit for three primary reasons:

- 1) The strong sense of trust and reliance between the top executives of the two companies which has extended to the scientific and engineering teams.
- 2) Cima's core strength of innovative chemistry & nano metal technology is a perfect combination with the expertise of Toda's engineering teams, decades of experience manufacturing metal powders, and knowledge of Asian quality and supplier requirements
- 3) The electronics industry is aggressively searching for better technologies to improve performance and lower cost. The demonstrated innovation of Cima combined with the secure and trusted supplier reputation of Toda is fast-tracking the technology into key applications for flat panel displays, solar energy and other growing markets.

The network continues with Cima's collaboration with key Japanese and Korean companies in the development of products for the electronics industry. The organizations are some of the leading suppliers to the flat panel display industry.

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does not convey the accurate connotation of monozukuri. The concept is much more intense; monozukuri means having the spirit to produce excellent products and the ability to constantly improve a production system and process. American suppliers hoping to develop closer collaboration with Japanese companies can benefit by embracing the concept and practice of monozukuri at their respective companies.

These U.S.-Japan Manufacturing Technologies Seminars will feature thought-leaders from American and Japanese companies who will share their insights on and experiences with the mindset of monozukuri, enhancing manufacturing talent formation, the product development process and much more.

The program will include a keynote from Mitsuo Matsushita, Chief Executive Officer, Denso International America, Inc.



The Toda Cima Nanotechnology team in Tokyo, including Mr. Sugiura, COO (at left), Mr. Brodd, and Dr. Tamari, Market Development Director.

A proverbial win-win agreement, a view to a long-term relationship with its development partners, and a continued focus on innovation with nano-materials is proving to be a successful tactic in Cima's overall strategy of becoming a leading provider of advanced materials for electronics.

Cima NanoTech is a U.S. based company in St. Paul, MN with an R&D subsidiary in Caesarea, Israel. The company has 35 employees and over 40 patents covering its key technology of nano metal manufacturing, enabling chemistry and application areas and the unique performance attributes of these new-to-the-world materials. The overall business model is to develop and manufacture its core nano metal based inks and coatings and commercialize them into finished products in partnership with industry leaders.

While the current focus is on flat panel displays, solar cells, and RFID devices, the future opportunities of nanotechnology are nearly limitless. Cima is working diligently to develop next-generation technology and, just as importantly, to establish and build industry relationships to enable these new inventions to be rapidly and widely commercialized.

(Southfield, MI). Other speakers include: Shinjiro Yamada, Chief Executive Officer of INCS Inc. in Schaumburg, Illinois; Gary W. Klotz, Attorney at Law, at Butzel Long of Detroit; John Winzeler, President of Winzeler Gear in Harwood Heights, IL; and Ted Kawashima, Director, Japan Auto Parts Industries Association North America.

Both the Chicago and Detroit programs are scheduled to begin with registration at 1:00 p.m. and conclude with a networking reception at 5:30 p.m. In Chicago, the program will take place at the Chicago Athletic Association, 12 S Michigan Ave. The Michigan session will be located at The Inn at St. John's in Plymouth, Michigan.

This program is free of charge, but advance registration is recommended. For more information, contact JETRO Chicago at 312-832-6023. Online registration at www.jetro.org/chicagomz (for Chicago event), and www.jetro.org/plymouthmz (for Michigan event).