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JAPANESE INVESTMENT FINDS NEW FERTILE GROUND

Dubbed "America's Bread Basket," the U.S. Great Plains, a mega-region that is part of the even bigger Midwest, is a sweeping area of land that spans the whole of Kansas, Nebraska, North Dakota and South Dakota, as well as parts of Minnesota, Iowa and Oklahoma.

Thanks to the Great Plains' traditional image of vast, golden fields of wheat and population of friendly, hard-working individuals, the region, at least to outsiders, is well known for its excellence in agriculture and cattle. While the Midwestern work ethic is still true today as it has been in the past, what is rapidly changing is the speed of innovation that is happening across the region, whether such innovation is found in agricultural efficiency, industrial automation or the life sciences.

Over the years, foreign direct investors that have found the Pacific and Atlantic coast markets saturated or too costly to operate in, have traditionally seen the American Heartland as an excellent alternative. That said, the region is becoming more attractive to investors in its own right. This is due in large part to the region's steadily rising population, even though the population increase occurs in the cities. However, more than just sheer numbers, there is no shortage to the region's working age cohort in terms of talent.

"Minnesota is a state that is really well known to have a world-class workforce that is cultivated by the state's world-class institutions of higher learning. Japanese companies that are in need of a competent and diverse managerial class will find those easily accessible in Minneapolis," according to **Shawntera Hardy, secretary of the Minnesota Department of Employment and Economic Development.**

Meanwhile, the region is seeing new and exciting growth in areas that are quickly gaining the attention of investors. The area surrounding the cities of Omaha in Nebraska and Kansas City, which is in both Missouri and Kansas, has taken significant strides toward establishing themselves as the next favored destinations for Japanese investment.

This September, Omaha hosts the 50th Midwest Japan Conference, which stands as one of the most important platforms for relationship-building between Japan and the U.S. Midwestern states. Hundreds of delegates



JETRO Chicago Chief Executive Director Ralph Inforzato

from all stakeholders in the relationship will gather in Nebraska to not only celebrate the long-standing ties, but also explore new avenues for business development moving forward.

"The state of Nebraska is truly honored to be hosting such an important event at such an important time. We view this as a once-in-a-generation opportunity for us to truly showcase the very best that our state has to offer. We deeply value our special relationship with Japan and we look forward to strengthening that bond even further in the years to come," said **Nebraska Gov. Pete Ricketts.**

For its part, Kansas City and its surrounding counties continue to increase their profile as a dynamic place to do business. Already home to the headquarters of Sprint Corp. (now merged with T-Mobile Inc.), the region is steadily attracting entrepreneurs and businesses looking to tap into the highly skilled workforce and its logistically advantageous geographical location.

Up north, the state of Minnesota has distinguished itself for its medical device and health care industry, with famous names including Medtronic, a developer of medical devices and solutions, and the Mayo Clinic in Rochester, about an hour south of Minneapolis. **Frank Jaskulke, vice president of Research of Minnesota's Medical Alley Association** said, "Toray really was the catalyst of the Japanese involvement in the medical device sector."

While Japanese companies in Minnesota do not have the same high profile as their counterparts on the West and East coasts, the Japanese presence in the state is growing, particularly with the recent acquisitions by Japanese

pharmaceuticals of home-grown companies Upsher-Smith Laboratories, LLC and Fremont Water Solutions Inc. "Japanese activity in Minnesota may not be as obvious in the other states where there are more Japanese expats or bigger Japanese communities, but their activities are not less significant," said Minneapolis-based **Honorary Consul General of Japan in Minnesota, Richard Stahl.**

According to the Japan External Trade Organization's (JETRO) latest data, in 2017, Japan's outward foreign direct investment has reached an all-time high of \$169.6 billion, up by about 24 percent from 2016. While the European Union received major gains, the United States remains to be the largest destination of Japanese foreign direct investment for seven years in a row.

"A lot of people are so focused on China right now. China is a great country, but the United States shouldn't lose our focus on Japan. It is still the third-largest economy in the world. We have a lot of synergies. We have

a logical fit," explained former U.S. Vice President, and former **Ambassador to Japan, Walter Mondale,** a long-standing champion for the relationship, who was quick to remind how deeply and fundamentally the relationship benefits both countries.

Mondale, who also stands as an adviser for Midwest-based law firm Dorsey & Whitney, remains bullish about the existing potential for greater business development opportunities between Japan and the Midwestern states.

"I'm delighted that much progress is being achieved in our two-way business partnership as well as our sister city and sister state relationships as our alliance deepens. The friendship between Japan and the Great Plains states is closer than ever," said **Consul-General of Japan in Chicago Naoki Ito,** who believes that Japanese companies will find a business-friendly and welcoming environment should they establish operations in the region.

"Some might say that Midwesterners and Japanese share a very similar work ethic.

People here have a strong commitment to quality and teamwork, which are so important to Japanese companies. I'm certain that our partnership will reach greater heights in the future," Ito added.

Recognizing the potential of growth industries, Japanese companies continue to invest in life sciences, high-precision machinery, and automotive manufacturing, among others.

Ralph Inforzato, chief executive director of JETRO Chicago, which covers the Great Plains region, said: "Japan's direct positive impact on the United States is felt throughout this region. At no other time in the recent history of the Japan-Midwest relationship has there been such a high level of interest by the American heartland in Japan and also a great deal of attention by Japan in our Midwest region. Americans are happy to stop me after presentations to talk through their recent experiences in Japan, or tell me about their interactions with Japanese companies that have invested in their region or city." ■

UMSL AND THE SPIRIT OF ST. LOUIS



The 100,000th student graduates from University of Missouri-St. Louis, which has strong ties with many universities in Japan.

A vibrant metropolitan region with 2.8 million people and home to 18 Fortune 1000 companies, St. Louis hosts the operations of many industry leaders, such as Ameren, Anheuser-Busch In-Bev, Boeing, BJC Healthcare, Centene, Edward Jones, Emerson, Enterprise, Express Scripts, General Motors, Maritz, MasterCard, Monsanto, Olin, Peabody Energy, Sigma Aldrich and Wells Fargo Advisors.

Aside from its thriving economy and the well-known Midwestern friendliness, the city also boasts a dynamic arts and culture scene, a diverse demographic and a supportive network that add up to the ideal place to live, work and learn. And the **University of Missouri-St. Louis** embodies that energy in a single location.

Its 470-acre campus welcomes more than 16,000 students, all of whom undergo rigorous academic training while being offered internship opportunities, hands-on learning, various social activities and cultural experiences. UMSL also has the largest alumni network in the city, with around 75 percent of its 100,000 graduates either living or working in the area.

Outside the campus, UMSL has built long-running relationships with other universities around the world. In Japan, it has exchange programs with several prominent Japanese universities and a research partnership with the Shibusawa Eiichi Memorial Foundation. ■

→ www.umsl.edu

A GLOBAL LAW PRACTICE FROM THE U.S. MIDWEST

Dorsey & Whitney is an international law firm with more than 550 lawyers practicing in 20 locations throughout the United States and in the Asia-Pacific region, Canada and Europe.

With its headquarters in Minneapolis, more than half of the firm's attorneys are located in the Midwest and Western U.S. states, including Minnesota, Iowa, Colorado, Utah, Montana, North Dakota, California and Washington State.

"Our Asia-Pacific group collaborates across a broad platform of practices and offices to serve the needs of clients in the Asia-Pacific region. We have represented Japanese companies and their North American counterparts in the United States for decades," said **Partner Christopher Bercaw.**

Dorsey & Whitney provides general corporate, dispute-resolution and advisory services to American and European clients operating in Asia,

and to Asian clients throughout the world. Areas of special emphasis include the structuring of cross-border investments, corporate finance, mergers and acquisitions, joint ventures, technology transfer, regulatory compliance, litigation, employment law and immigration.

"Our lawyers draw upon considerable international experience, coupled with cultural and linguistic skills, to create legal and business solutions for small and medium-sized clients as well as large multinational enterprises," Bercaw also said. ■

→ www.dorsey.com



A BURGEONING INVESTMENT HUB IN THE MIDWEST

The **Greater Kansas City Region** is a large area in the U.S. Midwest that spans 18 counties across the states of Kansas and Missouri. Home to 2.3 million people and named one of the country's most livable cities, Kansas City is building a reputation for itself as a technology hotbed with one of the world's most comprehensive Smart City projects.

The Greater Kansas City Region's location at the heart of North America provides companies with the advantage of delivering goods to around 80 percent of suppliers and customers in the United States within two days.

A strong Japanese business influence exists with SoftBank's buy-in into telecom giant Sprint. Following the pending

acquisition of Sprint by T-Mobile, SoftBank will have 27 percent stock ownership in the new T-Mobile which will have a significant presence in the Kansas City area. Kubota Tractor Corporation has invested nearly \$100 million in its North American Distribution Center in the Kansas City region, and Mitsubishi, Shiseido, Bridgestone, Canon and Fujifilm all have a presence in KC.

Kansas City offers affordability, capacity for growth, accessibility and a culture of collaboration that make for a suitable investment destination.

To complement its efforts to promote the area, the Greater Kansas City Region will be sending a delegation to the upcoming Midwest-U.S. Japan Conference in



Kansas City Area Development Council President and CEO Tim Cowden

Omaha, Nebraska in September. ■
→ www.thinkkc.com

HOW INDUSTRY 4.0 AND AUTOMATION ARE CHANGING OUR MACHINERY

As technology continues to play a major role in advancing most areas of our everyday lives, it is also transforming the manufacturing industry. Industry 4.0 is a name for the current trend of automation and data exchange in manufacturing technologies and is commonly referred to as the Fourth Industrial Revolution.

For instance, producers of intricate medical devices and high-precision parts used in aviation and aerospace demand more complex and precise machines to make those components.

Japanese manufacturers are no stranger to the rigors of meeting the accuracy and precision of their customers' manufacturing processes. For **Matsura Machinery USA,** a subsidiary of Japan-based Matsura Machinery Corp., the United States has remained a worthwhile, fulfilling market since the company's inception more than five years ago.

Matsura continues to invest heavily in R&D to satisfy the global requirement for high reliability, sustained accuracy and guaranteed performance, which further strengthens its position in the U.S. market.

Known in its industry for its high-precision and high-accuracy five-axis pallet pool machines, Matsura expanded its customer base and answered aftermarket demand for a smaller five-axis platform by developing a more cost-effective line of these machines. Featuring the same hand-built quality, high speed and sustained precision without the prohibitive price tag, the two newest machines in the MX series provides productive, versatile and affordable unmanned five-axis production.

"With the traditional manufacturing business model transforming, we must be quick to acknowledge and respond to these new competitive challenges," said **President Craig St. John,** who cited the company's contribution to helping small businesses produce more and compete better on the global stage.

"Preserving the integrity of the production process with less human supervision, companies are becoming increasingly automated. While employment numbers may have trended down, manufacturing output in the United States is up since our machines are more efficient, completing complex tasks and delivering superior cost efficiencies," added St. John.

Earlier this year, the company launched the



From its Additive Manufacturing Center in St. Paul, Matsura Machinery USA showcases its pioneering LUMEX series of precision machinery.

LUMEX series, Matsura's next generation of machine tools, a Hybrid Additive Metal 3D printer, which allow designers and manufacturers to create their own products with greater autonomy and flexibility.

The machines produce integrated core and cavity sets — replacing the need for a toolmaker to fit inserts into a multi-piece complex assembly. This same machine will also run unattended reducing the typical activity of moving a component from machine to machine or department to department to complete all the required operations. Our one-machine/one-process approach reduces manufacturing time by up to 50 percent.

Confident of the success of this groundbreaking product line, Matsura USA recently expanded its North America headquarters with the addition of a 38,000-square-foot laboratory and demonstration facility called, **The Matsura Machinery USA Lumex Additive Manufacturing Center.**

"At Matsura USA, we have successfully established our U.S. infrastructure that provides service and support through our extensive distribution network. In addition to our significant market share in five-axis machines, the Matsura Machinery USA Lumex Additive Manufacturing Center will operate both as a showroom and as a development center — a place where we will work on developing new powders and new hybrid technologies to serve our customer base," St. John said. ■

→ <http://matsurausa.com>

HUNTER ENGINEERING: A PIONEER IN JAPAN AND AROUND THE WORLD

Founded in St. Louis, Missouri in 1946, **Hunter Engineering** develops automotive service equipment and exports its products to more than 130 countries around the world. The company has earned several awards from the U.S. Department of Commerce over many years.

Hunter's exclusive partnership with Japan-based **Iyasaka Ltd.** now spans three generations.

That long-running relationship began in 1962, when **Iyasaka founder Akigoro Kawaru** visited a trade show in the United States and was instantly impressed with the quality and innovation possessed by Hunter Engineering's products. Kawaru soon contacted company founder **Lee Hunter** to distribute its products.

Right away, **Iyasaka** sold a record 3,000 units of the HUNTER® Tune-In Wheel Balancer to Japanese customers. Later, **Iyasaka** offered more of Hunter's products, such as wheel alignment systems, vehicle inspection systems, tire changers, vehicle lifts and brake lathes.

"Iyasaka Ltd. is among our most professional business partners. It has an engineering mind-

set and always pays great attention to detail. In Japan, **Iyasaka's** longstanding relationships with automakers, new vehicle dealerships and premier workshops are unmatched," **Hunter Engineering President Beau Brauer** said.

For his part, **Iyasaka Head of International Purchasing Michitada Nagatsuma** said: "The partnership with Hunter Engineering is a strong one largely because of the first-class, quality products it develops. Our sales staff's main focus is on selling HUNTER® products, and our sales continue to grow year over year."

Established in 1944, **Iyasaka** is Japan's leading distributor of specialized automotive inspection and maintenance systems. It has seven branches across the country and employs more than 250 people.

For his industry-changing innovation, **Lee Hunter, Jr.** was inducted into the Automotive Hall of Fame in 1992, joining the ranks of Soichiro Honda, Eiji Toyoda, Yutaka Katayama, Shojiro Ishibashi and other automotive industry pioneers. ■

→ www.hunter.com / www.iyasaka.co.jp



MINNESOTA UNIVERSITY FOCUSES ON WELLNESS

Whether through its academic programs, clinics, research or partnerships, **Northwestern Health Sciences University** in Minneapolis, Minnesota has led the way in advancing medical alternatives that bring natural and holistic practices to the forefront of health care. The school has advanced innovations and provided inspiration for individuals to live healthier, balanced and more harmonious lives.

Its academic programs include chiropractic, massage therapy, acupuncture, Chinese medicine and nutrition, and its clinics are the largest providers of natural health care services in Minnesota.

Started as the **Northwestern College of Chiropractic** in 1941, the university has since expanded its program to include other health fields and its activities through clinics and hospital partnerships. The university is the only one of its kind in the state and one of the few in the country

focused entirely on health sciences. Its academic programs are accredited by top governing bodies.

"We are training the health care leaders of tomorrow today and helping individuals as well as entire communities live healthier," said **President and CEO Chris Cassirer,** who heads the Public Health Committee of the World Federation of Chiropractic, which is affiliated with the U.N. World Health Organization. He also represented the university at the WHO World Health Alliance conference in Geneva this year.

The university has also headed efforts to bring health care into the workplace. It developed **WorkSiteRight,** a nationwide on-site clinic program for businesses, such as manufacturing and warehousing centers, to keep their workers healthy and productive while reducing employer costs. ■

→ www.nwhealth.edu



Additive Manufacturing Technology Center
St. Paul, Minnesota USA

Matsura's cutting-edge technology is transformative in today's world of 3D Metal Additive Manufacturing. With our combination of best-in-class CNC Milling and high speed Direct Laser Melting, Matsura has fundamentally revolutionized the AM marketplace. Matsura's unique combination of technology platforms enables the production of parts and component geometries in a method that has never been possible nor imagined.

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