JAPAN



READY FOR THE FUTURE

By Yoshimasa Hayashi, Minister of Education, Culture, Sports, Science and Technology

s Japan deals with an ageing population and finds itself in the midst of a fourth industrial revolution, the country's universities, as core stakeholders in fostering human resources and driving innovation, are asked to play important roles in strengthening our society.

To face the challenges of the future, the Japanese government formulated the Japan Revitalization Strategy 2013, launched the Top Global University Project, and set to double the numbers of both inbound and outbound student exchanges.



Yoshimasa Hayashi, Minister of Education, Culture, Sports, Science and Technology

Based on this long-term strategy, the Ministry of Education, Culture, Sports, Science Technology (MEXT) has provided financial support to improve the study environment at universities in order to attract more international students, among others. The ministry has also supported the efforts of Japanese

universities towards more internationalization, through the Top Global University Project.

Anybody can learn more about this program from: https://tgu.mext.go.jp/ en/index.html.

The government is also encouraging Japanese students to study abroad through government scholarships and a publicprivate study abroad initiative called "Tobitate!" or "Young Ambassador Program."

To support some national universities in their efforts to raise the quality of their educational and research activities to world-class standards, MEXT established the Designated National University system. In 2017, Tohoku University, University of Tokyo and Kyoto University were the first schools to receive this DNU status.

A successful society must be both stable and be receptive to new ideas so that advanced technology, such as AI and robotics, can be applied in daily life. Advancements in technology will further change labor markets. In Japan, a shrinking population is resulting in a combining all these attrishortage of workers.

Japan, nevertheless, has developed effective technologies. We are a stable society with a wellorganized government. I am convinced that Japan has the capability to become a leading problemsolving nation by skillfully

butes and deal with a reduction of jobs with these demographic changes.

On behalf of the government, I invite researchers and students from around the world to come to Japan and learn in a cutting-edge environment.

Kobe: Crossroads of Industry and Culture

ver since our port began vative companies to this bustling operating 150 years ago, seaside metropolis.

Kobe has been very much open to the world. The city, in terms of industry, has developed over the years to the times and the needs of its people," Mayor Kizo Hisamoto said.

In the past few years, Kobe Kobe Mayor Kizo Hisamoto hydrogen power. has been home

to Japan's largest Biomedical Innovation Cluster, which hosts more than 340 companies on Port Island, joining heavy industries manufacturing as major pillars of the city's economy.

This growth would not have been possible if it weren't for the highly skilled and talented workers who live in Kobe.

The mayor is now focused on efforts to attract new and inno-



Amid so much optimism about the future, Kobe has intensified its efforts to develop clean energy.

In December, the city conducted the world's first test to supply energy from It has also col-

laborated with the government of Aberdeen in Scotland to develop a marine industry cluster.

"We've made the most of international knowledge to develop Kobe into a thriving, multi-faceted city. Looking to the future, we intend to continue this pioneering spirit," Hisamoto

www.city.kobe.lg.jp/foreign/ english/index.html



Japanese SMEs look further afield

ntil recently, small Japanese companies were viewed as businesses that prefer to transact only with other Japanese companies. Many of them expanded their international presence mainly to support long-running relationships with their loyal customers.

As continuing globalization makes the business landscape increasingly competitive, many of these Japanese SMEs have had to accept the need to expand overseas if they are to survive and grow sustainably.

Showa Denki, a manufacturer of wind machines such as electric blowers and fans, is an example of how these SMEs are seeing their global potential.

"I started our overseas business in 2010 by myself, after finding out through internal research that 38% of our products ended up being exported overseas through clients here in Japan," President Kensaku Kashiwagi said.

Shimizu However, Densetsu Kogyo President Hiroyuki Shimizu was steadfast in maintaining his company's international operations following a slump in the demand for coating technology in the automotive and medical equipment sectors.

"When our U.S. subsidiary faced some challenges in the past, most of the executives wanted to close it down. But L believed in the market and decided to run the operations myself until it became profitable," Shimizu recalled.

"Now, after our customers in the U.S. experience our service, they tell their Japanese counterparts to reach out to us in Japan for their coating needs," Shimizu added.

For Shimizu and Kashiwagi, leading an SME has not discouraged them from expanding overseas and promoting the "Made in Japan" brand.

"The strength of small companies lies in being able to quickly adapt and deliver customer requests. Customers keep demanding for better, so we keep innovating for the better," Shimizu explained.

"In Japan, there is a philosophy called magokoro, which means sincerity or devotion. It is the ultimate madein-Japan asset. And we've made it a point to center our operations around this philosophy," Kashiwagi said.

With the compelling need for Japanese companies to find stronger and more sustainable growth prospects, packaging products maker Ohishi Sangyo has identified Southeast Asia as its most promising market.

Japan lost a lot of big

players and demand sharply declined. Many companies decided to open in other Asian markets. That is why we now have a branch office in Singapore and a plant in Malaysia," says **President** Norio Okubo.

"It is not very easy to do business overseas. To ensure international growth, companies need to modernize products and processes. But Japan will remain important because we still lead in technological innovation and high-quality manufacturing," Okubo added.

Meanwhile, President Masayoshi Funahashi of Shachihata, a leading maker of writing instruments and stampers, attributes the company's success to its ability to design pens, markers and stampers that address and adapt to the ever-changing consumer taste.

"Using skills we have "In the last 20 years, cultivated, we have developed our latest ma-



chine, the QuiX, where you can easily customize your stamps," Funahashi said.

"The domestic market is diminishing and competition grows more stiff. That is why I expect more potential from our international operations. In fact, we mostly offer our latest markers to the international markets first," Funahashi said.

Helping out small companies that want a bigger global presence but don't have the resources, trading company Yashima Sangyo has acted as a major connector between Japanese and foreign businesses. "Our company aims to introduce Japanese quality products to the global market, and vice versa. We aim to be a partner in global expansion for companies worldwide," President Masatoshi Takamuku said.

"Many SMEs have the right products with the perfect quality, but find global expansion to be challenging. My dream is to have an exhibition for the 'Made in Japan' brand as a means for



Shachihata's Headquarters in Nagoya

Japanese companies to introduce themselves to foreign markets, and help raise the profile of Japanese quality in manufacturing," he added.

Some local government units and non-profit organizations, such as the American Chamber of Commerce in Japan and the City of Kobe, have joined the efforts to promote bilateral trade and cooperation.

"With this, we applaud the launch of the U.S.-Japan Economic Dialogue by Vice President Pence and Deputy Prime Minister

Aso in April 2017," ACCJ Representative Christopher LaFleur said.

"Its focus on setting high trade and investment standards and reducing market barriers aligns with the need we see on both sides, and we hope the positive agenda will continue," he also said.

Already known as one of Japan's most dynamic cities and the base of many major global companies, **Kobe** has intensified efforts to spur further growth through programs aimed specifically at helping entrepre-

neurs turn their ideas into reality.

"We are making Kobe into a city where startups can thrive. Kobe has developed into a thriving, multi-faceted city and we, with the rest of Japan, will continue that pioneering spirit for years to come," Mayor Kizo Hisamoto said.

Recently, Kobe collaborated with US-based seed investment fund 500 Startups in an accelerator program. It was the first such collaborative program with a Silicon Valley venture capital fund in Japan.



Abenomics at work in manufacturing

Olympics, which got streets, and installing the unflagging support of Prime Minister cables. We are proud to Shinzo Abe, construc- contribute to the preption materials develop- aration of Japan's lander Kanaflex, like many scape for the influx of other Japanese compatourists for Tokyo 2020," nies, works in the back- **President** ground to prepare for Kanao said. the influx of thousands Japan and the rest of unique the world.

by the National Diet as for over 30 years and is

<u> Yashima</u>

s the world ea- one of the companies awaits in charge of eliminating utility poles on the underground wires and Shigeki

Given its impresof tourists from across sive track record and products, Kanaflex has done well "We were selected in the United States

well positioned to expand further globally. It eyes China and the US as its next big mar-

Although nearly all its business is domestic, construction materials wholesaler JK **Holdings** values its role in the construction of the Olympic Stadium, always the centerpiece venue of the Summer Games.

"Ninety percent of our business is in Japan but we have

been in the business for 80 years. We are a supplier of Japanese wood for the Tokyo Stadium and it is exciting to be part of the Tokyo 2020 infrastructure because it will surely have an impact on people from all over the world," President Keiichiro Aoki said.

However, Aoki is studying the feasibility of setting up operations outside Japan for its housing materials seament.









As the third "arrow" of the economic stimulus plan dubbed Abenomics, the economic empowerment of women has become more visible in recent years, with very impressive results.

"I just became CEO two years ago. Before that, for over five years, our financial condition was not good," recalled Akiko Mitani, the CEO of Nikko Company, which makes ceramic goods and wastewater treatment systems.

things Tο turn around for the 110-year-old company, Mitani encouraged her employees to understand the company's importance to the lives of all Japanese. That shift in mindset led to increased productivity and profitability.

For the next five years, Mitani plans to lead the company in growing its business around the world.

"We have been exporting our products for over 50 years. While we will continue to focus on our biggest markets, such as the US and Middle East, I see great potential in Southeast Asia as comprehensive business field as well," Mitani explained.

For **Fuji Denshi**, a unique manufacturer of induction heating machines, tapping the talent of its female workforce has also yielded positive results. In fact, it was named

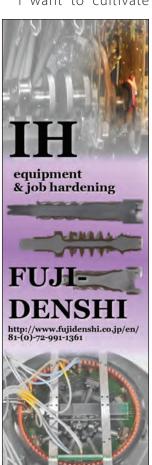


The government's economic stimulus plan dubbed Abenomics has remained effective in providing Japanese companies the much needed shot in the arm.

Global Niche compa-Hiroko Watanabe.

by the government as empowerment among my," Watanabe said. one of Japan's Top 100 women in the workforce. While there is that objective, she esnies, an achievement still a long way to go that has given much for us here in Japan, pride to **President** there is no denying the for female CEOs within importance of wom- the manufacturing in-"I want to cultivate en's role in the econo-

To complement tablished the group Monozukuri-Nadeshiko dustry.



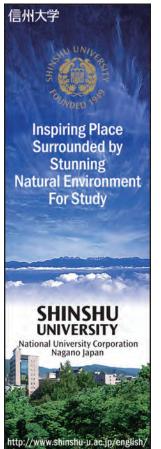


Local impact, global outlook

recent years, Japanese universities have focused on two main objectives: contributing to the local community and globalizing its instruction.

In Nagano Prefecture, Shinshu University has topped the Nikkei Global ranking several times in terms of local contributors.

"Everyone is working together to revitalize the economy. There is true synergy between the government, the private sector and the





A view of Toyo Eiwa University's campus in Yokohama

universities," **President** the expertise from Kunihiro said.

the fields of biomedialso said. cal, carbon, mountain,

"We have already re-

Hamada different fields to develop new industries The national univer- that will help the losity established five cal community in the research institutes for next years," Hamada

In Yokohama, **Toyo** and energy & environ- **Eiwa University** aims mental sciences, as to further incorpowell as fiber technol- rate diversity and open-mindedness among its students. organized our faculties Globalization is the as we aim to combine ongoing focus, as the

university develops a full English-only curriculum to increase its pool of international students and partners.

"We also send students abroad to see different cultures," said President Akifumi Ikeda, who believes that this exposure is especially important to its students because it also allows them to understand their own heritage and share it with people around the world.

"With our students being all female and Japan encouraging women to play bigger roles in the economy, making our students venture out into the world is our way of making an impact on the country," Ikeda said.

