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AN UNASSUMING REGION OF ECONOMIC GROWTH

As 2017 draws to a close, relations between Japan and the United States continued to thrive amid uncertain times. But as the two countries reaffirmed their solidarity and expressed their commitment to a common future, the northwest region of the United States capitalized on its geographical proximity to Japan to highlight its advantages as a reliable trade partner and investment location.



Japanese Consul General in Portland Kojiro Uchiyama, Oregon Gov. Kate Brown, and Washington State Gov. Jay Inslee.

NORTHERN CALIFORNIA: INNOVATION AT ITS FINEST

Synonymous with innovation, Northern California is a hotbed of new ideas, non-traditional CEOs and technological advancements that have changed the world. This environment has spawned not only some of the world's tech giants, but also draws in multinational companies keen on leveraging the region's strengths.

"The compound of intellectual capital, which drives an explosive rate of innovation, makes Northern California unlike anywhere in the world. Universities providing top-tier education, including Stanford University and UC Berkeley, generate an impressive pipeline of talented candidates," **Avant Global Founder and CEO Demetri Argyropoulos** said.

Focused on creating connections for strategic development, Argyropoulos understands that the key to success lies in forging relationships. "It's crucial in this competitive environment that you build a strong network that can support you in deal flow, references and financing. You can get an edge on everyone else by looking for companies that are being led by serial entrepreneurs," he added.

The area's dynamic environment has led to a shift in traditional investment from Japan.

"Originally our member companies were financial, trading and food processing companies. Now, we see gaming, internet and medical companies joining as well," **Japan Chamber of Commerce of Northern California President Hiroshi Tomita** said.

And this influx of new layers and fresh ideas has enhanced the region's strengths.

"The Bay Area thrives on diversity. So, the perspective that Japan brings, whether it be business or culture, is really valuable," **Japan Society of Northern California President Larry Greenwood** said.

Benefits of a Japanese perspective are acknowledged by various industries, from software technology to medical research. **Stanford Medicine**, famous for developing various cell and gene-based therapies, wants to capitalize on Japan's unique strengths.

"These therapeutics are now moving from research to the clinic. We are looking for strategic partners, both financial and operational. While we are unsure how that will happen, we are certainly interested in Japan," said **David DiGiusto, head of Stanford Center for Definitive and Curative Medicine**.

OREGON: "WE LIKE IT HERE, YOU MIGHT TOO"

Japan's fascination with Oregon can be partially attributed to the 1980's hit drama, "Oregon kara ai" or "From Oregon with love." The attraction is apparently mutual. Portland's donut chains, such as Voodoo and Blue Star, are set to have more outlets in Japan than they have in the United States as they expand abroad. The city will soon boast a Portland-themed pub in Tokyo, complete with its own mascot — Mr. Dude — who will promote his hometown among the Japanese.

The attraction, coupled with excellent marketing

campaigns, has generated more economic activity.

"There is growing interest among Japanese companies in Oregon because it is a very business-friendly place," **Consul General of Japan in Portland Kojiro Uchiyama** said.

As the state's economy diversifies and draws in more Japanese investment, the state government is not about to get complacent.

"Oregon has a long and deep relationship with Japan. We greatly value this relationship and want to continue to cultivate it. I strongly support increased trade investment and cultural exchange with Japan," said **Gov. Kate Brown**, who led a trade mission to Japan earlier this year.

"Oregon is a very special and unique place. We have this incredible beauty and bounty — from our magnificent snow-covered peaks to more than 362 miles of coastal beaches that are publically accessible. So, it's an incredible place to come visit and enjoy," Brown added.

"We also want to continue to grow our economy and do it in a way that benefits all of our people. I think there is an incredible opportunity to partner and collaborate with the people of Japan. And I think it provides some opportunity for Japan as well," she added.

WASHINGTON: JAPAN'S CLOSEST NEIGHBOR

Home to some top U.S. corporations like Boeing, Costco and Amazon, Washington was ranked by CNBC as America's Top State for Business in 2017. With an economic growth of 3.7 percent this year, its economy grew twice as fast as the national average.

Washington is also home to the largest concentration of STEM (science, technology, education and math) workers in the country, with nearly one in 10 employees working in these fields. One key factor to the growing Japanese trade with the Evergreen State is that the Port of Seattle is a day closer to Japan than other major shipping ports on the U.S. West Coast.

"There are over 180 Japanese companies that have a presence in the State of Washington. Our strongest economic presence is felt in the aerospace industry. Boeing has a 60-year relationship with Japan and their 787 Dreamliner has 35 percent Japanese-made components. This is a very significant contribution," **Consul General of Japan Yoichiro Yamada** pointed out.

As Washington's overall third-largest export market, Japan holds the top spot for agriculture, a fact that the state government is extremely proud of.

"When we think of Japan, historically it's been a great trading partner for us and the next level of development is a combination of technological and intellectual development through the partnership of our people," **Gov. Jay Inslee** said.

"We are a welcoming place and as a result, we have built an economy that is second to none. Japan is rooted deep in the history of Washington and we are proud of this relationship," Inslee added.

The relationship of its people, including the more than 80,000 self-identified Japanese-Americans and 14,000 Japanese expats living in the state, is what both sides are happy to highlight every time.

"Washington is very attractive and vibrant in its own right. One aspect lies in the fact that Japanese culture has woven itself into the fabric of the region in a relationship that stretches over 100 years," Yamada said. ■

OREGON'S TUALATIN VALLEY: WHERE TRADITION MEETS INNOVATION

Located between Portland and the Oregon Coast along the Pacific Ocean, Tualatin Valley is a safe, convenient and affordable destination that combines tradition with innovation.

Just minutes from downtown Portland, this is the perfect home base with access to the best of western Oregon.

Plan a day trip to Cannon Beach, Mount Hood or Portland, and stay in the Tualatin Valley. Take in the diversity of outdoor adventure, tax-free shopping, wine tasting and more.

With over 30 estate wineries, Tualatin Valley is known for its exceptional wines and welcoming tasting rooms. Beer lovers will enjoy the top-notch craft beer at the dozens of taprooms and brewpubs. Tax-free shopping beckons at

Oregon's premier shopping destinations, Washington Square and Bridgeport Village. Adventure-seekers can feel the thrill of flight along a zip line or in an indoor skydiving tunnel.

Photograph the scenic beauty of the forest along the Banks-Vernonia State Trail, while soaking in the peaceful sights and sounds of nature.

Tualatin Valley's hotels provide great value for travelers. Affordable room rates, free parking, complimentary amenities and welcoming staff are the hallmarks of the destination's hotels.

These and many more adventures are waiting here in Tualatin Valley, Oregon. It's easy to get here; Delta Airlines offers regularly scheduled non-stop flights from Narita Airport near Tokyo to Portland, Oregon. ■ → visittualatinvalley.com



David Hill Vineyard in Tualatin Valley

SALEM: A GROWING MOMENTUM

Playing a pivotal role in Oregon's history, the **City of Salem** continues to be a leader in promoting the state's innovative business climate, natural resources and workforce.

The state's capital and second-largest city, Salem is a preferred investment location.

"Salem's economy is doing extremely well and is continuing to grow. Our community works together to promote everything that makes Salem a great place to work, live and play," **Salem Mayor Chuck Bennett** said.

Salem has the qualities businesses seek when deciding where to locate including access to major freeways and airports and being less than an hour away from

Portland and the state's universities.

The teamwork by the City of Salem and Mid-Willamette Valley's **Strategic Economic Development Corporation (SEDCOR)** has attracted Amazon, Yamasa Corp., Henningsen Cold Storage, FedEx, Home Depot and Garmin to the area.

A shovel-ready industrial park, Salem's Mill Creek Corporate Center plays a major factor in region's growth.

"We have a high-quality resource base in terms of water access, food and agriculture. For a market like Japan, this is exactly the kind of place where you can develop American-made goods to be brought into the Japanese food stream," Bennett said. ■ → www.cityofsalem.net / www.sedcor.com



Home Depot from the air in Salem, Oregon

MENTOR IS INDUSTRY PACESETTER

With over 35 years of experience in the field of electronic design automation, **Mentor** (formerly Mentor Graphics) has been at the forefront of the industry and further consolidated its global status following its acquisition by German automation giant Siemens in 2016.

Mentor President and CEO Walden Rhines is aware of the company's success rests on its ability to grow faster than the semiconductor industry that, observed Intel co-founder Gordon Moore, is seen to have doubled the number of transistors per square inch in integrated circuits every year since they were invented.

"Our industry grows a little faster than the semiconductor industry, which in recent years has seen typical growth of between 6 and 7 percent per year. The biggest reason for new growth is from the adoption of design automation by system companies," Rhines said.

Following this trend, Mentor looks to Japan, which remains an important part of Mentor's business. While Japan's semiconductor industry has been consolidating, electronic design automation has

begun to happen in the automotive and aerospace sectors.

"The most exciting part about Japan is that Mentor is the leading supplier of design software for the electronics in cars, planes and trains. So major automotive companies offer enormous growth for Mentor and we are engaged with most of them," Rhines said.

Mentor is no stranger to Japan, where one of its largest global automotive customers is based — automotive parts maker Yazaki. With the integration of Mentor into Siemens' \$11 billion Digital Factory Division well underway, Rhines remains focused on securing more business, particularly from automotive and aerospace companies.

"Japan is very important to us because Japanese industry optimizes capabilities for a wide variety of industrial, consumer and automotive applications. This has created enormous opportunities for our customers and consequently for the development of Mentor's design tools and capabilities," he said. ■ → www.mentor.com



Mentor President and CEO Walden Rhines

REAPING THE FRUITS OF CRAFTSMANSHIP

With more than 150 years of experience, California's prune growers have developed best practices that produce world-class fruit and generate more than \$200 million in farm gate value every year.

The state's rich valley soil, favorable climate and "California Grown" pride also allow the state's plum growers to perfect their craft, very evident in the sweetness, ideal size, and fine texture that makes the fruit a healthy snack and versatile culinary ingredient.

Covering around 47,000 acres, the prune industry may not be as large as that of walnut and almond growers. But prune producers are able to meet most of the demand in the United States and sell nearly half of their produce overseas. In 2016, California's prune industry shipped around 7,300 metric tons of the fruit to Japan, its largest overseas market where it has a 98 percent market share.

Because of their premium quality, California prunes have found long-standing and loyal customers in Japan, which is known for its discriminating standards regarding the freshness and quality of its food.

"From orchard practices to pitting and drying, our process follows a system that aims for perfection. Our long-standing position as Japan's prune supplier of choice requires that we meet unique specifications for

moisture and other standards. Japan is a cornerstone of our business and we appreciate the loyalty that the trade and consumers have shown us in return," said **California Prune Board (CPB) Executive Director Donn Zea**.

Working with its long-time partner in Japan, Uniflex Marketing, Inc., the CPB is working with nutrition experts to help inform Japanese consumers about the health benefits of including prunes in their daily diet, not only as snacks and juice, but also as an ingredient in baking and other applications.

In its preparations for the 2020 Tokyo Olympics, Japan's food and hospitality industries are also looking at ways to meet the dietary needs of foreign visitors and produced a "Special Menus Guidebook" that feature prunes in a dozen sample menus.

"California prunes have been a favorite in Japan for generations. We know there are many food options out there and consumers of all ages are making decisions that best fit their needs and lifestyles. We're listening to our customers and providing market support that helps the consumer make informed choices. If we're successful we're confident that the Japanese consumer will continue to choose California prunes," Donn said. ■ → www.californiadriedplums.org / www.prune.jp



HTL: A JAPANESE TEAM PLAYER

When **Hilltop Technology Laboratory (HTL)** launched its business in 2013, it had a simple vision: to serve U.S. companies like a good neighbor. Although the Japanese company ventured into a new market with no clients, Hilltop offered unique services that attracted 47 clients in its first year. This year, it has more than 350 clients.

"While most Japanese small and medium-sized enterprises expanded their operations in Asia, we knew that the U.S. needed our services. There is no service like ours here," **HTL CEO Yuki Yamamoto** said.

Specializing in aluminum and plastic parts prototyping, HTP serves a multitude of businesses and industries, producing components for precision machinery, movie props and musical instrument parts with a quick turnaround time.

As the Southern California headquarters prepares for a move to a bigger facility, the company is also opening an office in San Jose to create presence in Silicon Valley.

"We opened our San Jose office in January as part of our growth plan. We promise a five-day turnover and we are ex-



Hilltop Tech Lab President Yuki Yamamoto

panding to keep this promise," Yamamoto said.

When it is unable to meet the requests of prospective clients, HTP recommends other Japanese companies that can fulfill those job requirements.

"We want to support the Japanese market while contributing to the U.S. market. We play for both sides. We want to accelerate innovation. There are so many great companies in California, and we want to help them develop faster," Yamamoto explained. ■ → <http://hilltop21.com>



TACOMA: HOME TO AMERICA'S MOUNT FUJI AND WORLD-CLASS INNOVATIVE BUSINESSES

Pierce County surrounds visitors and businesses with beauty. From the Cascade Mountains in the east to lovely Puget Sound in the west, the county never fails to amaze. It's home to majestic Mount Rainier, a 4,392 m peak that locals call their Mount Fuji.

Pierce County, and its largest city, Tacoma, are centers of business innovation. It is home to more than 70 aerospace companies, which moved there to take advantage of the abundance of resources and talented workers. Japanese logistics powerhouse Mitsui-Soko is one of the newest additions to the region's aerospace industry. Toray Composites, the innovative leader in industrial composites, recently completed a multimillion-dollar expansion of their production facility. The county is also home to developers, as well as manufacturing and industrial companies.



Mount Rainier in Pierce County

Legendary hiking, skiing and boating showcase the natural beauty of the Pacific Northwest. Golfers never miss Chambers Bay, a breathtaking golf course that hosted the 2015 U.S. Open Championships.

Convenient to SeaTac International Airport, Tacoma's historic downtown is home to museums, first-rate hotels like Conde Nast-ranked Hotel Murano, a thriving foodie culture and a growing craft beverage industry.

But what sets Tacoma and Pierce County apart is teamwork and grit. The county has fully embraced the *kaizen*, continual improvement, ethos. Businesses and individuals looking to forge long-term partnerships are invited to this corner of the world. ■ → www.edbtacomapierce.org

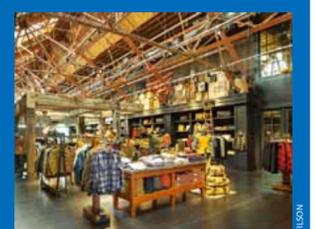
FILSON STAYS FAITHFUL TO ITS AMERICAN HERITAGE

Few retailers have defied expectations by thriving in an industry characterized by fleeting trends and changing buying habits like **Filson**. Visit any Filson store or their website and the brand's century-plus history comes to life.

For the last 120 years, Filson has remained true to its heritage. That faithfulness has resulted in a loyal clientele, with new customers drawn daily to its authentic outdoor clothing, bags, jackets and accessories.

Many of Filson's products are still made in its two Seattle factories, one of which is located in the same building as its flagship store. Customers visiting Filson's Seattle store in SoDo are able to witness the manufacturing process of the brand's iconic Rugged Twill luggage.

Filson, while narrowly distributed in Japan, remains a highly treasured and exclusive brand there. Now, with its local partners, Filson has just opened



Filson's flagship store in Seattle

a store in the Nakameguro district of Tokyo. The store address is 1-21-11 Aobadai, Nakameguro, Meguro Ward.

With products that age wonderfully and are covered by an ironclad guarantee, Filson combines form and function in products that appeal to young and old and can be passed down to the next generation. ■ → www.filson.com

KIBUN FOODS: SUCCESS WITH THE RIGHT PARTNERS

When **Kibun Foods Inc.** entered the U.S. market in 1978, the Japanese company chose Seattle for its base because the city is renowned as the epicenter for Alaska pollock, the biggest ingredient used in its food products.

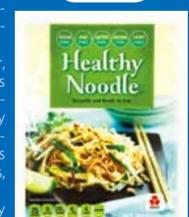
Nearly 40 years later, Kibun Foods (U.S.A.), Inc. has proven to be a valuable asset to the parent company through its three key departments: Traditional Products Imports, Ingredient Exports, and Agriculture Exports.

"As the only subsidiary outside Asia, our operations are very important to the group. We have a subsidiary in Thailand, which focuses mainly on manufacturing, while we focus on sales and marketing to the Americas," **Kibun Foods USA President Kentaro Aoki** said.

With imports being a core focus of its business, Kibun USA added new items on a sales channel separate from its traditional Asian market distribution. Through retail giant Costco, the company launched Healthy Noodle, a sugar-free, gluten-free, cholesterol-free and dairy-free alternative to traditional pasta.

"This is a game changer for us," Aoki stressed. This year, sales of Healthy Noodle are expected to be seven times higher than its sales in 2016.

"With the success of this product, we plan to introduce an Asian version of Healthy Noodle for distribution to Kibun's Traditional sales and marketing networks in the U.S. this fall," Aoki said. ■ → www.kibunusa.com



Sales of Kibun's Healthy Noodle line are expected to surge next year.

STANFORD CENTER FOR DEFINITIVE AND CURATIVE MEDICINE AIMS TO CURE THE INCURABLE

At least 280 million people worldwide live with rare genetic diseases. For many of them, the disease's underlying cause is well defined, yet eludes definitive treatment. Stem cell and gene therapies hold enormous promise for curing these conditions by engineering cells to treat disease or alter a patient's DNA to "fix" an abnormality.

To bring these new stem cell and gene therapies to patients, **Stanford Medicine** recently opened the Stanford Center for Definitive and Curative Medicine (CDCM), which provides the organizational and physical infrastructure to support cutting-edge studies on stem cell and gene therapies, from initial discovery through completion of proof-of-concept clinical studies.

Renowned clinician and scientist **Dr. Maria Grazia Roncarolo**, chief of the Division of Pediatric Stem Cell Transplantation and Regenerative Medicine, will direct the new center.

"Stanford's unique environment brings together scientific discovery, translational medicine and clinical treatment," Roncarolo said.

From work performed by scientists over the past decade, the CDCM already has a queue of nearly 24 early-stage therapies in its pipeline.

The CDCM also benefits from Stanford's new Laboratory for Cell and Gene Medicine (LCGM). One of the first of its kind in the world, the LCGM can produce cell and gene therapies according to good manufacturing practice standards required for patient treatment.



Stanford Center for Definitive and Curative Medicine Dr. Maria Grazia Roncarolo

Headed by David DiGiusto, the LCGM can produce diverse cellular products for patient use from genetically corrected bone marrow cells for sickle cell anemia, to genetically engineered skin grafts for children with the genetic disease epidermolysis bullosa, to genetically engineered lymphocytes that fight leukemia.

"The LCGM will bridge the gap between research and clinical investigation so we can reach the curative potential of these exciting cell and gene therapies," DiGiusto said. ■ → med.stanford.edu/ptrm