

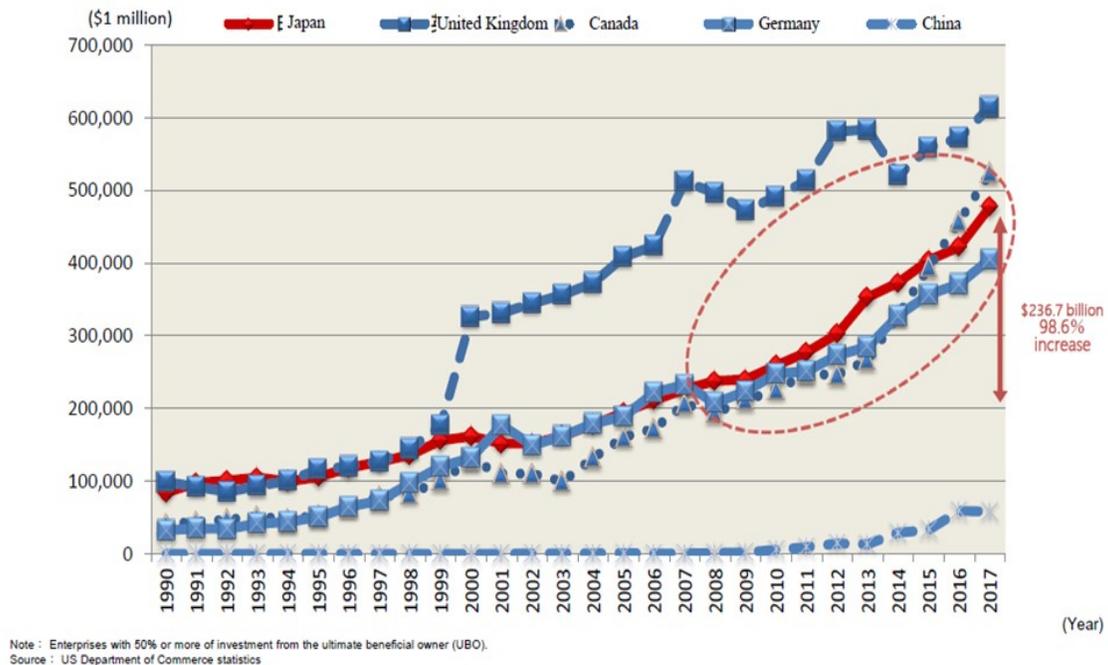
October 11, 2019



JETRO New York President Issei Hatakeyama presents at Japan-Virginia Society

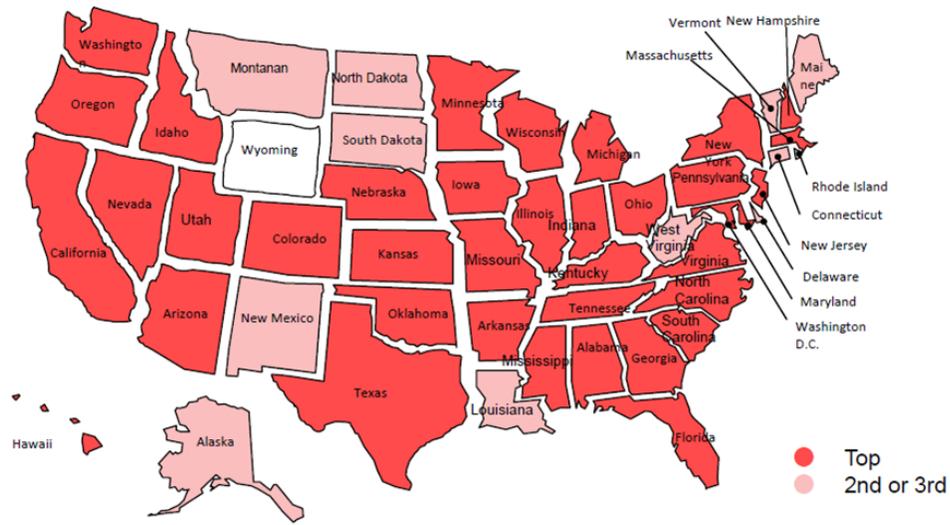
On September 19th, JETRO New York President, Issei Hatakeyama presented in front of the board members of the Japan-Virginia Society regarding the activities of Japanese companies in the US. J.R. Smith, Chairman of the Japan-Virginia Society and Partner at Hunton Andrews Kurth, LLP, hosted this meeting at the firm's office in Richmond, VA. Often times, the contribution of investments that Japanese companies are adding to the US are misrepresented and through the research that JETRO conducts in the US, it has been our mission to educate State Representatives, officials, economic development organizations, and private companies on realizing the importance of maintaining a good economic relationship with Japan.

To provide some of the research JETRO has conducted, President Hatakeyama articulated that the investment balance at the end of 2017 increased 98.6% from 2009, and the total investment amount reached USD \$236.7 billion. On workforce, the total number of American employee's Japanese companies hired in 2016 was approximately 860,600, which is 12.1% of the entire foreign affiliated countries combined employment in the US.



The investment balance at the end of 2017 increased 98.6% from 2009, and the total investment amount (\$236.7 billion) in the same period is second only to that of Canada.

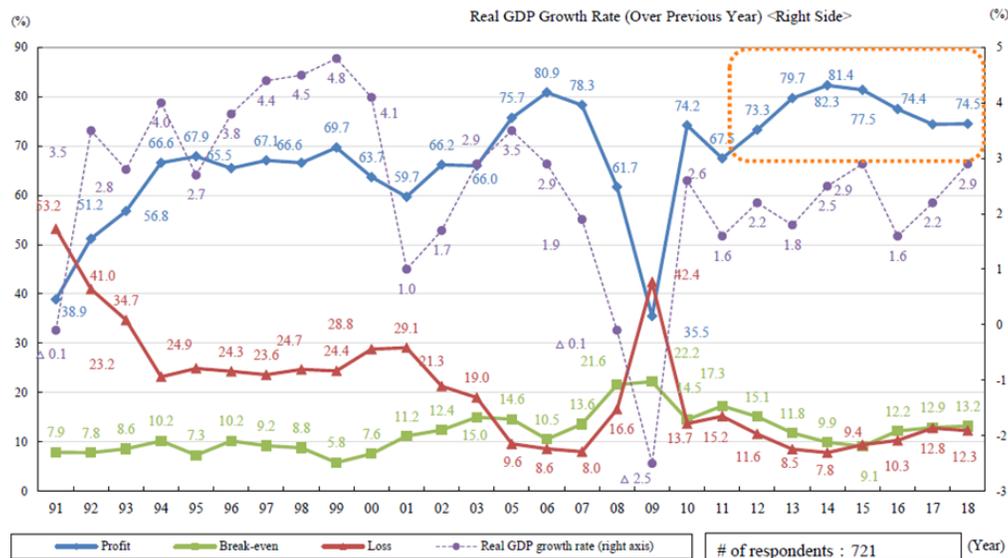
Just focusing on the manufacturing sector, 397,000 employees were hired by Japanese companies. On another slide, Japan constantly ranks among the top three in all but one state in the US when it comes to the number of Japanese-owned enterprises that have employees and assets, sales or net profit (or net loss) over USD \$20 million.



Note : Enterprises with 50% or more of investment from the ultimate beneficial owner (UBO).
 Source : US Department of Commerce "[Activities of U.S. Affiliates of Foreign Multinational Enterprises: Preliminary 2016 Statistics](#)"

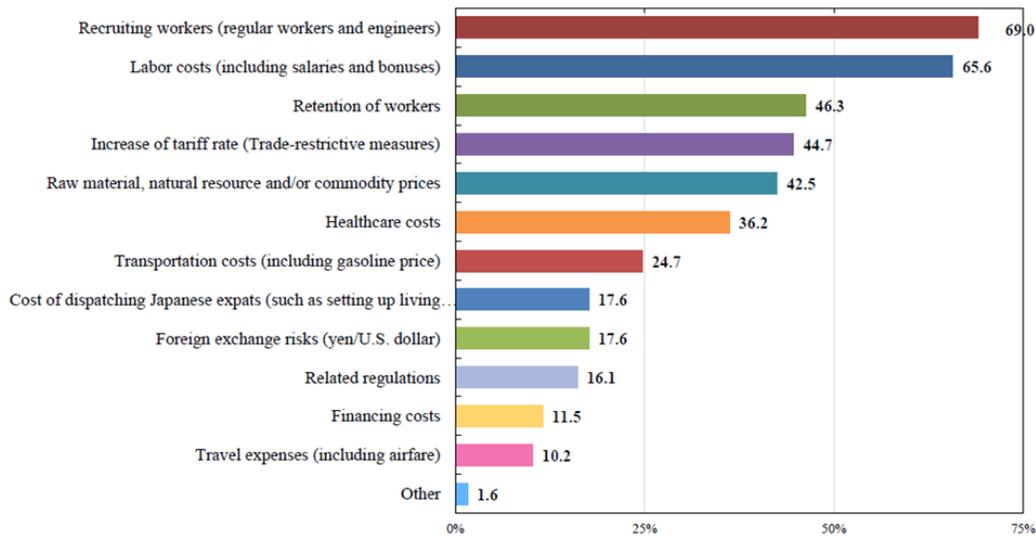
In 49 states, all but Wyoming, Japan ranks in the top three for the number of Japanese-owned enterprises that have employees and assets, sales or net profit (or net loss) over \$20 million.

Upon surveying Japanese companies in the US, the significance is seen in the profit results, where 70% of the companies mentioned the have been profitable for the past 7 years. 54.2% plan on expanding operations, 40.9% increased local employees, and 58.1% plan on procuring in the US.



Note: The GDP growth rate for 2018 is the IMF estimate (announced Oct. 2018). No survey conducted in 2004.

On the other end, the challenges for most of these companies have been in the workforce talent, retention of workers, and increase of tariff rates. 69% of respondents showed concerns of recruiting workers while 65.6% faced challenges over labor costs. 44.7% were facing issues with the increase of tariff rates.



Results showed Recruiting Workers (69.0%), Labor Costs (65.6%), Retention of Workers (46.3%), and Increase of Tariff Rate (44.7%) were the top factors by respondents.

As far as the presentation went, Anthony J. Romanello, Executive Director of Henrico County Economic Development Authority, mentioned, "The meetings were very helpful to my understanding and we look forward to working with JETRO. Olga Molnar, Vice President, Global Investment of Greater Richmond Partnership, "I found Mr. Hatakeyama's presentation very insightful and educational. I was surprised to learn that Japanese companies had such a big presence in almost every state in the USA. In fact, in our region we have 16 Japanese-owned companies which employ about 1,850 people. We hope to attract more Japanese companies to our region and continue their growth."

As JETRO's grassroots initiative, President Hatakeyama continues to tour around States, specifically in the Northeastern Region to continue presenting in front of State officials, the local community, and representatives.

For more information or interested in the presentation, please reach out to Daiki Nakajima (Daiki_nakajima@jetro.go.jp)