



Highlight in the Field of
Respect and Consideration for Human Rights



Highlight in the Field of
Contribution to Local Communities

From ginger-fried pork and pork cutlets to “shabu-shabu”, pork meat is a staple of the Japanese diet. However, in reality, Japan’s rate of self-sufficiency for pork meat is approximately 50% (2014 MAFF data), and Japan’s overall food self-sufficiency rate is declining annually. Below we introduce our pork meat business, which is achieving the stable delivery of safe, healthy, and high-quality pork meat to Japan to support the food culture of the Japanese people.

In December 2012, ITOCHU Corporation acquired 33.4% share (worth approx. 5 billion yen) in HyLife Group Holdings (below, HyLife) and currently up to 49.9% by further acquisition. HyLife is one of Canada’s largest hog producers and pork meat processors with full-service operations based mainly in the Manitoba Province.

Manitoba Province, the location of HyLife’s main offices, is positioned in central Canada and its land is considered optimal for agriculture. With relatively cooler summer climate, the region is well-known for the production of high-quality barley and wheat. Boasting the world’s No. 1 water resources per capita, Canada’s balanced water sources are used to raise healthy hog. The land is blessed with conditions that are highly favorable to hog breeding. With Canada’s pork meat self-sufficiency rate exceeding 250%, HyLife is an invaluable long-term partner in our efforts to resolve Japan’s pork meat shortage.



Manitoba Province

Introduction of HyLife

Hytek Corporation, the predecessor of HyLife, was founded in 1994. The company’s history began after a chance encounter between the three Vielfaure brothers and Don Janzen at a gas station, and they agreed to start a pork production business that took advantage of their respective strengths.



Originally, HyLife primarily conducted exporting wean pigs to the U.S.A., but imports from Canada became difficult following revisions to US laws (Country of Origin Law), so the company’s management was forced to change operations. Realizing that by adding slaughter operations to their current production and breeding operations they could establish an unparalleled management system to distinguish themselves and increase both their competitiveness and quality, the company decided to open a pork meat processing plant. In 2008, they completed their current vertically integrated one-stop production system. This increased the company’s competitiveness, helped ensure a high level of safety, and the stable provision of high-quality pork.

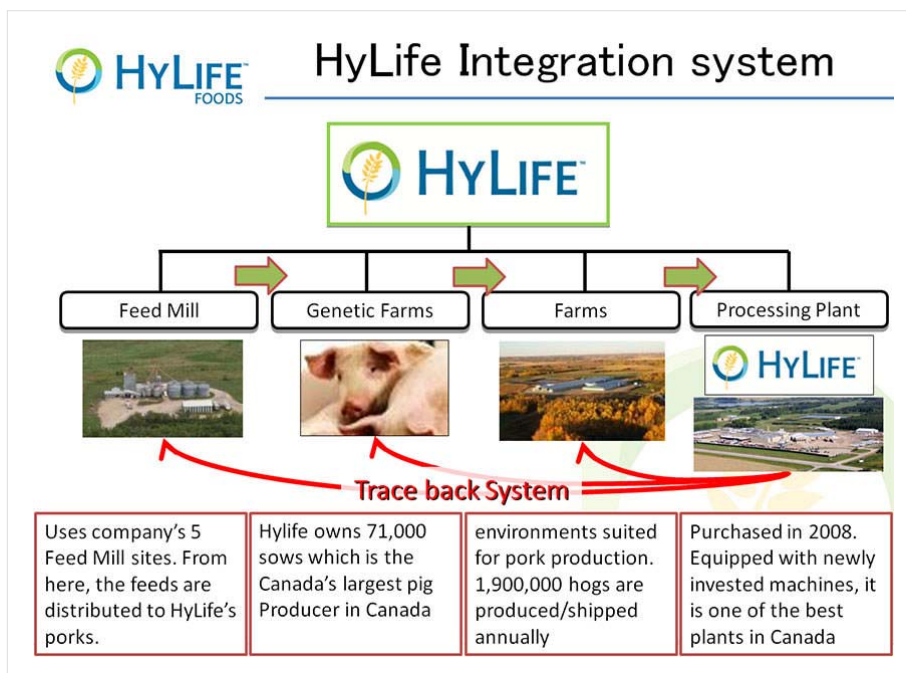


HyLife

Today, the company has 1,800 employees, and annually raises 1.9 million hogs and slaughters 1.6 million hogs, representing one of Canada’s largest pork breeders.

■ The Safe, High-Quality Pork Production Process and Customer Care Achieved by HyLife

HyLife operates a vertically integrated production system comprised of hog breeding, the production of compound feed, and pork meat production. This production system enables the internal management and coordination of the company’s supply chain. HyLife also achieves the stable supply of safe, high-quality product with full traceability. Highly praised on the Japanese market, today HyLife has grown to be Canada’s No. 1 exporter of fresh chilled pork products to Japan.



HyLife Integration system

Process for supplying safe, high-quality pork meat

As part of food safety, HyLife's farm is subjected to annual animal care audits by the Canadian federal government and has earned CQA (Canada Quality Assurance) certification.



- Feed

Made primarily using high-quality barley, wheat, corn, and canola raised in Manitoba, at HyLife, we produce our own compound feed. This enables traceability to determine which feed was eaten by which hogs at what farm. For Japan in particular, compound feed made based on a special feed program is produced under the supervision of an internal nutritionist to ensure the production of high-quality pork meat.



Feed mixing facility



Quality Inspection

- Hog breeding and handling

To ensure animal welfare and maintain high meat quality, HyLife requires that all its truck drivers obtain licenses through the internationally certified TQA (Transport Quality Assurance) program. Through this program, drivers learn how the live pig transport process impacts meat quality and the importance of animal handling grounded in animal protection. Additionally, HyLife farms implement ACA (animal care assessments), through which company veterinarians and expert supervisors conduct on-site inspections of each farm. Placing particular importance on biosecurity, to help avoid the spread of infectious bacteria to hogs, we enforce rules outlining that visitors from overseas may not enter a hog barn for a two-week period following their arrival in Canada. This same rule is also applied to company employees returning from overseas business trips.



Hog breeding

■ Slaughterhouse and processing plant

The HyLife processing plant is managed in accordance with the HACCP Method, the internationally-recognized health and safety management method. Quality management supervisors who have received special training conduct a scientific analysis of the production process to prevent the occurrence or shipment of nonconforming products. Furthermore, quality management supervisors confirm all products at each stage of the process, such as cutting and packing. After packing, quality management supervisors also conduct inspections of packed products by using metal detectors and X-ray machines.

■ Research & Development

Typically in North America, farms and processing plants are separate entities, thus it is uncommon for customer quality feedback to reach the farm. By comparison, HyLife uses its unique characteristic of having a vertical integrated production system to create farms that are specialized in research and development, and has established a regular feedback system for farms and plants. Through this system, HyLife has developed a program that effectively analyzes and researches pork meat quality characteristics to enable continuous quality improvements. Dedicated employees conduct the following inspections and research throughout daily production to ensure food safety and supply that achieves stable quality and that conforms to safety standards.

[Examples of Research and Development]

- Full lot inspections and selection of chilled products for shipment to Japan
- General bacteria testing
- Preservation testing for establishing Use-by Dates
- Cold chain monitoring
- Lean meat ratio testing
- Meat status monitoring, quality inspections
- Chemical residue testing



Analyzing the quality of pork meat

Providing products to meet customer needs

Through the effective use of our vertical integrated production system, the strength of HyLife, we ascertain customer needs and customize products to meet the individual needs of customers. At HyLife, we call this the Specialty Program for Japan (Japan Diet (JD) Program). In addition to this JD program, HyLife produces Herb Sangenton* as a specialty brand for ITOCHU Corporation and Prima Meat Packers.

[Example of Japan Program]

- Program contract defines production requirements for Japan
- Feed mixing by internal nutritionists (developed and implemented special feed based on our low iodine value product (IVP) program, which has a positive impact on fat hardness and meat quality, fed herbs for 60 days)
- Provide approved breeds (maternal line – large white × landrace; paternal line – Duroc)

* Herb Sangenton, offered by ITOCHU Corporation as a specialty brand for major ham and sausage producer Prima Meat Packers. Sangenton are fed an herb-based feed (made from oregano, thyme, cinnamon bark extracts) for 60 days. This supports to limit pork meat odor, and results in the production of pork meat with increased flavor and richness.



■ Partnerships with customers

The Specialty Program for Japan consists of Sangenton hogs, which are selected and bred under the guidance of HyLife’s nutritionists and veterinarians, that are fed feed made primarily of local wheat produced on land in the Manitoba Province. Resident expatriates of ITOCHU Corporation are involved in the daily management and supervision of these breeding and feeding processes.

The HyLife management team personally travels to Japan several times per year to visit customers, plants, and farmers in order to receive feedback. And through our partner companies, we gather information on a daily basis. During visits to Japan, we conduct comparative taste testing using domestic branded pork and imported pork from other countries as part of our efforts towards continuous quality improvements. This Specialty Program for Japan ensures our ability to provide the type of pork preferred by Japanese consumers.

In addition to the Herb Sangenton brand specifically produced for Prima Meat Packers, one of our largest customers in Japan, HyLife hogs are used in other products such as their “Fresh! Pre-cut Roast Ham” of Prima Meat Packers.



Support for sales promotion



Taste testing with domestic pork



Prima Meat Packers “Fresh! Pre-cut Roast Ham”

Environment and Community Activities

HyLife believes in the importance of the mutual prosperity of both the local community and our company. This is why we have positioned environment and community activities as the highest priority among our Core Values. We partake in numerous initiatives aimed at strengthening communication with local residents and being a part of the community. We also diligently implement activities related to minimizing the impact our business activities have on the environment.

■ Environment activities

< Water reuse >

HyLife built a water treatment facility on company grounds. We promote water reuse by turning the wastewater produced at our processing plants into clean water for use during truck washing and other tasks requiring the use of water. The construction of this facility has enabled us to reuse 50% of the wastewater produced at our plants.

< Increasing soil value >

Through a partnership with the Canadian government, hog manure produced at our farms is recycled as fertilizer for use on pasture lands. Recycling this manure for use on pasture lands provides the fertilizing elements necessary for nurturing pastures. Additionally, HyLife also raises cattle on this pasture land. Achieving this cycle ensures the cultivation of nutritional land, which raises land value and promotes the more effective breeding of cattle. Furthermore, this cycle contributes to adding value to waste products produced during hog production.



In-house water waste treatment facility



Water purification process

■ Activities that value community ties

< Community enhancement >

On weekends during the summer, HyLife sponsors various events for not only employees, but also local residents and families (booths at festivals, etc.) to contribute to community enhancement. HyLife also holds HyLife Fun Days, its major annual event. Originally, the event was only for employees and their families but today the event has grown to welcome participation from people in the local community and vendors. This popular event is attended by nearly 500 people each year.

HyLife also sponsors local community sports events and makes donations as part of our proactive efforts to strengthen community relations.



Community reception



Workshop for children



Hamburgers made using HyLife pork

< Accepting and supporting immigrants >

HyLife proactively accepts immigrants from foreign countries. To secure elite human resources, not only does HyLife manage hiring processes internally, which includes traveling to conduct interviews locally, they also provide a wide range of services, including providing support for opening bank accounts and securing housing after immigration and providing introductions to the religious community. Through this support, HyLife helps immigrants quickly adapt to their new environment and ensure a pleasant start to their lives in Canada. Presently, HyLife sees a particularly large number of immigrants from the Philippines. In Neepawa, where our plant is located, HyLife provides rich support for the Philippine community, which in turn helps improve employee retention.

These efforts tie into Goal 8 of the Sustainable Development Goals (SDGs), which is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Immigrant from the Philippines: Rex Toledo (HyLife employee)

For one month after I arrived in Manitoba Province and was looking for a place to live, HyLife paid for my housing and transportation costs as well as provided me with various other forms of support. They were so helpful and I am so grateful. When I was first hired, I was involved in quality management and now I work on customer service for Japanese customers. In this way, HyLife supports employee growth by providing opportunities to expand your work domains. I am actively involved in the social contribution activities sponsored by HyLife, and in 2013, I received the Volunteer of the Year Award. It is another form of motivation to be able to contribute to the local community through my job.



Community partner: Don Walmsley (Responsible for immigrant residency support in Neepawa)

Thanks to HyLife, the number of people attending schools and churches in Neepawa has grown and the number of residency support cases I handle has grown each year. They have brought vitality to the entire town. They also provide support for community events, including by providing pork meat products. Community residents are sincerely happy to have HyLife here.

Expatriate from ITOCHU Corporation: Naoyuki Funakoshi (Vice President of Asia Sales and Market Development, in charge of sales to the Asian market including Japan)

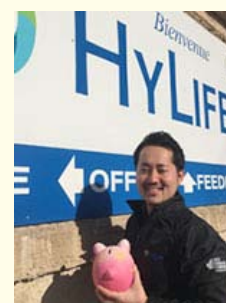
I first met HyLife when I was in charge of pork imports at ITOCHU Corporation. I remember traveling to Canada on an observation tour as part of new supplier development. In early 2010 we began with 7 tons of pork per week to introduce the meat to the Japanese market but because of their management that promises absolute quality, safety, and security, today this has grown to over 500 tons per week handled by ITOCHU Corporation.

Following the capital investment, I came here in 2013 to be the local sales representative. Everyone here was kind and welcomed me as if I were family. I was surprised by their system of flat management that allowed everyone from the president to site workers to bring up serious issues directly. I believe it is this corporate environment and the employees' passion for the product that helps HyLife differentiate itself.

On the living front, they treated my family like members of the HyLife family and the company provided support in a variety of ways, including in relation to school, Canadian life and activities. HyLife members also have taken us on numerous nature experiences unique to Canada, so I think it has been an invaluable experience for my children as well.

As the expatriate of ITOCHU Corporation, I intend to utilize and strengthen the partnership and network between HyLife and ITOCHU Corporation in order to expand our exports and the value to Japan and the rest of the Asia market.

HyLife makes best effort to be Canada's No. 1 food company on the global markets. We will continue to optimize the balance between business activities, employees, the local community, and our environment while working to deliver safe and delicious pork meat to customers and achieve company growth.



Highlight 2016

Industrial Park Business Growing with the Local Community

- Karawang International Industrial City, Indonesia -



Highlight in the Field of
Contribution to Local Communities

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Field report: **Toshihiro Nakamura**

Co-founder and CEO of Kopernik, an incorporated non-profit organization

After working for the United Nations and McKinsey & Company, in 2010 Mr. Nakamura founded Kopernik, an NPO, to deliver simple and innovative technologies to people in the Last Mile communities*. In 2012, he was selected as a Young Global Leader of the World Economic Forum (Davos Forum). He also worked as a member of the Global Agenda Council 2014-2016 on Sustainable Development of the World Economic Forum. In 2014, he became an advisor to the UNICEF Indonesia Innovation Lab. He now lives in Indonesia.

*Layers of people in emerging countries with the least access to support.

1. Introduction

A *sogo shosha* is said to be a uniquely Japanese style of business enterprise, and people often have a hard time understanding what it actually does, as it covers a wide range of business domains, including distribution, retailing and telecommunications, in addition to trading. I myself had never seen the daily activities of such a company up close. However, a recent visit to Karawang International Industrial City in Indonesia, which is run by ITOCHU Corporation, made me understand the special role that a *sogo shosha* plays in linking the needs of multiple companies and developing ecosystems for advancing their businesses. Let me explain further.

2. What is Karawang International Industrial City?

Karawang International Industrial City (hereafter, "KIIC") is a joint venture established in 1992 by ITOCHU Corporation and Sinar Mas, a major industrial conglomerate of Indonesia, with each party holding a 50% equity stake. To date, KIIC has expanded in three phases, and it provides land, buildings and other necessary services to tenant companies that plan to start a business or wish to increase their production capacity due to the growth of their business in Indonesia. As such, KIIC enables tenant companies to focus on their core business - manufacturing products. Currently, there are around 140 tenant companies operating in KIIC, of which nearly 85% are Japanese-affiliated.

When I visited KIIC, my first impression was that it was "clean." The roads are well paved. The area has a lot of greenery and is meticulously maintained.



Location of KIIC

So what kind of high-quality infrastructure is provided? First, the vast area of land and buildings. This huge site of over 1,200 hectares (as large as Chiyoda ward of Tokyo) is situated in a convenient location - only about a two-hour drive from Soekarno-Hatta International Airport in Jakarta and one of Jakarta's ports, which are the entrances to the country for international transportation. It is also located close to a major highway exit. The main tenant companies are manufacturers of four wheel/ two wheel vehicles, such as Toyota and Yamaha, and companies which supply parts to the manufacturers. There are also many tenant companies from other industries operating at KIIC, such as consumable manufacturers and food manufacturers.



KIIC administration office

Tenant companies build factories on the lots operated by KIIC and engage in production there. Each company is able to concentrate on its main business in an environment with a stable supply of power and industrial water, a reliable communication environment, and a high level of public safety. Tenant companies can enjoy the stable electricity supply in KIIC because it is designated as the highest power supply priority area by the public power company. KIIC therefore provides its tenant companies with an infrastructure that allows them to set up factories in a country where the annual average power outage lasts approximately 250 minutes (20 minutes in Japan). Recently, KIIC also began offering rental factories for companies who wish to save on the initial costs of building factories.

(Sources: 2014 data from METI on the average length of power outages in Indonesia, and 2014 data from the Federation of Electric Power Companies of Japan for the average length of power outages in Japan)



Rental factory



Firefighting facility



Power substation for KIIC



Water treatment facility that meets the government standards of Indonesia

An eco-friendly business ITOCHU Corporation carries out in Japan is also scheduled to be introduced at KIIC. ITOCHU Corporation will build 1,300 smart street lights in KIIC, using software created by a French company Streetlight.Vision. The business not only allows for a reduction in power consumption and CO2 emissions, but also helps to improve the efficiency of operation, maintenance, and control of street lighting. Once these streetlights have been installed, KIIC is expected to reduce up to 70% of the power consumption every year. This project creates synergy between a business ITOCHU Corporation runs in Japan and its business in KIIC.

In addition to providing a highly resilient infrastructure for tenant companies, KIIC also provides critical services to facilitate the business activities of the tenant companies. For example, an association has been established to create and strengthen the community among tenant companies. Members of the association discuss various topics each month, such as activities for contributing to the local community and a shared farm on the premises described later. Lecturers and talk sessions by external speakers on relevant subject matters, such as financial and labor management are especially popular. In this way, the association helps tenant companies establish the appropriate work environment that complies with local regulations.

KIIC is equipped with a Japanese restaurant, Indonesian restaurant, Italian restaurant, a clinic and a mosque for employees. Serviced apartments that can accommodate people working in KIIC are also located nearby.



Japanese clinic



Japanese restaurant



Mosque

KIIC is one of the few industrial parks in Indonesia that has obtained three international standard certifications (ISO9001, ISO14001 and OHSAS18001). It is highly regarded by outside organizations and governing bodies, having received the Indonesian Government Ministry of Industry's award for the best industrial park in 2013 and for the excellent industrial park in 2015. These recognitions aside, what impressed me the most was the enthusiasm of the KIIC administration team, who says that the "success of tenant companies' businesses are the most important things for us."

3. Provision of further added value of the ITOCHU Group

In addition to offering a comfortable working environment to the tenant companies of KIIC, ITOCHU Corporation offers extra benefits through its group companies. For example, PT. Itochu Logistics Indonesia (ILI), a subsidiary of ITOCHU LOGISTICS CORP. (ITOCHU Corporation’s subsidiary providing comprehensive logistic services), handles the customs clearance of products imported to Indonesia from Japan and other countries. Globally expanding companies often face challenges in customs clearance due to frequent law revisions and other unpredictable changes in emerging countries such as Indonesia. The roles of companies like ILI are important as they prepare the required documents and help tenant companies to clear customs as smoothly as possible by leveraging its extensive human network within Indonesia.



The writer (left), Ms. Murakami from ITOCHU Corp. (center), and Mr. Imamura from ILI (right) at the Port of Tanjung Priok in Northern Jakarta

PT. ILC Logistics Indonesia (PT.ILC), another subsidiary of ITOCHU LOGISTICS CORP., provides the optimal inventory management for the tenant companies once goods have been cleared by customs. As the flow of goods today is growing ever more complex in response to changing lifestyles and consumption patterns, PT.ILC manages the sophisticated logistics operations in an integrated manner and helps improve the operating efficiency of its tenant companies, ultimately enabling them to reduce their logistics costs.



Office of PT.ILC on the premises of KIIC

Many manufacturers that have factories in Indonesia struggle with the placement of orders for the materials of their products and inventory control. The inventory control system of PT.ILC enables manufactures to promptly and accurately check inventory whenever they need to. This makes it possible to transport the required quantity of materials quickly whenever needed and this in turn helps client companies reduce their inventory. ITOCHU LOGISTICS CORP. will continue to expand its business to provide efficient, high-quality services.



What caught my eye in the warehouse of PT.ILC was a large number of management manuals with photos on the walls. Various manuals, ranging from one on how to wear a helmet properly to one on how to correctly load cargo, are put up on the walls of the warehouse under the title “ONE POINT LECTURE”.



Work safety management manuals put up throughout the warehouse

The ideas of One Point Lecture come from not only PT.ILC executives but also the employees working in the factories. These kinds of efforts are contributing to the efficient inventory control and timely delivery of materials to tenant companies.

About Kopernik

Kopernik, the Non-Profit Organization that I co-founded, is based in Indonesia and aims to reduce poverty with simple technologies, and provides support for people in developing countries to help them become self-reliant. Examples of these simple technologies include solar lanterns and simple water filters.

People who live in areas without electricity (approx. 1.4 billion people in the world) generally burn kerosene for lighting. However, kerosene lamps can be expensive and extremely harmful. First of all, users need to buy kerosene on a regular basis, and the cost of kerosene sometimes accounts for as much as 20% of household expenditures. The lamps also generate harmful black smoke, which in turn increases the respiratory disorders that may become fatal. We focus on solar lanterns because they provide a direct and low cost solution to these problems. In addition, unlike Japan where clean tap water is available everywhere, people in many developing countries drink water contaminated with *E. coli* bacteria or other micro-organisms that cause diarrhea. Statistics released by the United Nations show that 4,000 children die every day due to dehydration. Another part of our work involves delivering simple water filters to these places to reduce health damage.



A man working in a room illuminated by a solar lantern (Photos: Kopernik)



Children drinking filtered water (Photos: Kopernik)

Kopernik delivers these technologies to the poor households in remote rural areas where it is difficult for a company to make a profit. However, the solar lanterns and water filters distributed to the poor communities are all manufactured by private companies. The work of Kopernik would be impossible without the innovation and technologies of those companies. If more technologies that meet the needs of the poor communities are developed at lower cost, they will contribute greatly to improving their quality of life.

4. Relationship between KIIC and solving social issues as seen from the vantage point of Kopernik

Taking a step back and looking at the activities of KIIC in relation to my own work, I can see linkages between Kopernik and KIIC. For example, two wheeled vehicles are among the products manufactured at KIIC. Those vehicles, which are much more affordable than automobiles, are incredibly valuable in the impoverished last mile communities where Kopernik works. In the rural areas of Indonesia, which have poor roads and are sparsely populated, two wheeled vehicles are essential for carrying harvested agricultural crops to the nearest market or going to a hospital. In addition, in most cases solar lanterns, water filters, and other products are delivered to each household by two wheeled vehicles through Kopernik's network. This means that two wheeled vehicles are indispensable to the supply chain of last mile communities.



Kopernik's partners delivering solar lanterns on a two-wheeled vehicle (Photo: Kopernik)

Another example is mosquito coils. A Japanese company manufacturing mosquito repellent products is operating in KIIC and has been enjoying its steady growth in Indonesia. According to 2013 data from the government of Indonesia, there were 350,000 cases of mosquito-borne malaria and 100,000 cases of mosquito-borne dengue fever, including cases in which infants and children died. Malaria and dengue fever have a profoundly negative impact on the economy. According to an estimate by The Economist magazine, the economic damage of these diseases is as much as 38 billion yen per year. Thus, mosquito repellent products are essential. Manufacturing these products not only helps prevent the discomfort of itchiness but also prevent fatal infections. This ultimately helps to reduce the economic burden on Indonesia.

The elimination of poverty, spread of renewable energy, securing of clean water, and eradication of infectious diseases (such as malaria and dengue fever) are all included in the 17 sustainable development goals (SDGs) that were adopted by the United Nations in September 2015, and are recognized as important international goals. These goals should not only be tackled by international organizations or the governments of member countries alone, but through the collaboration of private enterprises, the public sector, and other groups on the global level. The delivery of solar lanterns and water filters to last mile communities by two wheeled vehicles and the steady supply of mosquito repellent products at affordable prices can also be viewed as efforts towards achieving these SDGs in Indonesia.

5. Giving back to neighborhood communities

As we saw above, the main business of KIIC contributes to solving social issues through the activities of tenant companies. At the same time, KIIC is also actively supporting the six neighbouring villages through its CSR program together with its tenant companies.

One example is agricultural support. As most residents of Karawang are small-holder farmers, KIIC has partnered with Bogor Agricultural University, one of the leading universities in Indonesia, to provide local residents with agricultural best practices. For example, proper use of fertilizers and new farming methods which help them to improve their lives and be financially independent. KIIC also farms catfish, which are highly nutritious, and provides them to local residents. These activities provide local residents with new seeds for business while at the same time contribute to nutritional improvement.

The other CSR activities of KIIC include support for the establishment of community baby health centers, free medical support, monthly supply of baby food, growing more than 10,000 saplings for forestation every year, and the provision of scholarships. Approximately 50,000 people work at KIIC – providing a significant employment opportunities for local residents.



Agricultural workshop for local women's organizations



Farm jointly operated by KIIC tenant companies

6. Significance of KIIC managed by a *sogo shosha*

What is the value of a *sogo shosha* running an industrial park business? When starting a new business in a new country, many Japanese companies turn to a *sogo shosha* because of its extensive overseas network, local expertise, financial resources, and experience of running business outside Japan. KIIC business indeed takes advantage of these strengths of *sogo shosha*. For ITOCHU Corporation, a joint venture with an influential local enterprise ensures compliance with local legislation and smooth negotiations with local governments. At the same time, ITOCHU Corporation attracts tenant companies by leveraging its network and provides additional services, in the areas of logistics and smart street lighting. Tenant companies can make use of the tangible and intangible resources the *sogo shosha* possesses to expand their businesses while keeping initial investments low. It is a win-win relationship.

Japanese companies as seen through the eyes of an Indonesian partner

How do Indonesian companies perceive Japanese companies that have entered the Indonesian market and have been expanded there via KIIC and other similar industrial parks? I met with Mr. Shingo Kobayashi, who is responsible for technology investment and serves as an advisor on partnerships with Japanese companies at Sinar Mas Group, the Indonesian joint venture partner in the KIIC business.

Over the last 20 years, the Sinar Mas Group has formed 20 joint ventures with Japanese companies in various business domains. It has a much deeper relationship with Japanese companies than other Indonesian conglomerates. The benefits of partnerships with Japanese companies for an Indonesian company go beyond economic gain, and include learning from the diligent, professional and ethical attitude of Japanese work culture and the common long-term perspective on business. Partnering with Japanese companies takes a long time, but once formed it goes very smoothly.

Indonesia suffered immensely from the currency crisis in 1997 and its external environment has not always been conducive to businesses, due in part to the impact of the Lehman's collapse and currency fluctuations. However, in the coming years, we would like to see ITOCHU Corporation and the ITOCHU Group to enhance their presence in Indonesia as a Japanese partner that is extremely reliable from a long-term perspective and one of the most trusted Japanese partners.



Mr. Kobayashi from Sinar Mas Group

After the visit

I visited every corner of the industrial park, and at the port in Jakarta, I saw the customs clearance process. ITOCHU Corporation works on many other businesses, so what I saw this time was only a part of what the company does. Still, I was impressed with the scale of the businesses and the synergy between the businesses among its group companies. To me, KIIC nicely complements the support provided by public institutions, such as METI, JETRO, and JICA for Japanese companies to expand overseas. Imagine a company, which conducted marketing research on an emerging country with support from JETRO or JICA and is convinced that there is a great potential for expanding its business to Indonesia. This company decides to manufacture products in Indonesia, but wants to minimize the initial costs for finding a site and constructing a building. For such a company, a facility like KIIC might lower its business risks. If many companies use facilities like KIIC as a foothold for developing and manufacturing products and services needed by the poor, our work at Kopernik will be able to expand further.