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# A GROWING HUB OF JAPANESE-AMERICAN INNOVATION

The Mountain States comprise a region of breathtaking beauty where the splendor of nature is on full display. More than two centuries after the first westward migrations, the region remains the embodiment of the pioneering spirit that characterizes the United States.

What were once trading outposts in rugged and untamed territories have become thriving cities and urban centers at the forefront of innovation and sustainable growth. In the 21st century, the Mountain States, which include Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming, still attract pioneering investors from around the world.

Capitalizing on a long-running trade relationship with Japan, **Colorado Gov. Jared Polis** headed a five-day trade mission in March to Japan, the state's sixth-largest export partner. The visit also coincided with the 10th anniversary of the first direct flight between Denver International Airport and Narita International Airport.

"They put together an excellent program for the delegates. I think we all learned a lot about so many Colorado-Japan connections that I had no idea existed," said **Japan America Society of Colorado Executive Director Claudine Locascio**, who joined the trade delegation and cited the biotech and life sciences as examples of U.S.-Japanese cooperation.

"Biotech, bioscience and clean energy are important sectors in Colorado. Terumo Blood and Cell Technologies is the largest Japanese employer in the state," Locascio added.

Opening its first office nearly six decades ago, Terumo Blood and Cell Technologies has focused primarily on the improvement of patient care.

"Our priorities are centered on the patients that we serve. What we do is tied more to what will make a difference to the patient population with blood donation, other treatment options and access to therapy. This is generally what we focus on as we understand they are among the superlatives of Terumo," said **Terumo BCT Head of Global Corporate Communications Claudia Formiga**.

"As a company, we are going to reach 60 years in Colorado. We have an important footprint in Colorado. We are one of the biggest private companies in the state and the biggest private company in Lakewood," Formiga added.

Facing a global economy that prioritizes sustainable growth, the city of Craig, once the heart of Colorado's coal-mining industry, is looking to develop an innovative eco-friendly renewable energy source: clean coal.

"Because of its high volatility and low sulfur content, the coal mined in Craig is some of the best in the world. As the state of Colorado plans to have 100% renewable energy by 2040, and with plans to shut down Craig (coal-burning) Station, local leaders are strategizing how to market our coal to other countries that continue to rely on coal-burning power plants as their main source of energy production.

With some of the highest Btu (British thermal unit) content, the quality of the coal found in the mountains surrounding Craig is some of the best in the world," said **Craig Economic Development Manager Shannon Scott**.

In New Mexico, the pursuit of clean energy has broken new barriers, particularly in aviation.

"There's a company based at ABQ Sunport's Aviation Center of Excellence called Universal Hydrogen, which very recently launched the first successful test flight of a hydrogen-powered commercial aircraft. The Dash 800 regional jet flew on a dual system utilizing both hydrogen and aviation fuel to power its engines. During the flight, they flew strictly on hydrogen," said **Sunport Innovation and Commercial Development Manager Manny Manriquez**.

Meanwhile, Arizona is experiencing an economic boom that surpasses the other 49 states. According to The American Legislative Exchange Council's Rich States, Poor States 2022 rankings, the state had the best-performing economy, thanks largely to the efforts of the Arizona Commerce Authority.

"Arizona is experiencing unprecedented economic growth and delivering increasing economic opportunities to residents across the state. With a reputation as the premier destination to do business, Arizona continues to attract global companies in high-wage industries such as advanced manufacturing, life sciences, technology and more," said **ACA President and CEO Sandra Watson**.

Among the biggest drivers of economic growth in the state is the American-Japanese partnership in the semiconductor industry.

"Arizona is a fast-growing state and very much looks forward to more collaboration

with Japanese businesses. Phoenix is a sister city to Himeji. The Greater Phoenix Economic Council has been very helpful in supporting Japanese businesses. The semiconductor sector is very important, not only economically, but also strategically. The Japan-U.S. collaboration in the semiconductor industry is very critical for our future businesses as well as security," said **Consul General of Japan in Los Angeles Kenko Sone**.

Arizona's third-most-populous county, Pinal County, has become a hotbed of the semiconductor sector in the middle of the state.

"There have been announcements of an \$850 million expansion related to the semiconductor supply chain industry. We are seeing that spillover effect as Pinal County becomes more part of the Phoenix metro region in terms of interconnectivity. Our partners will find that everyone is pulling together in the same direction and wants to see our economy grow here," said **Pinal County Director of Economic Development James P. Smith**.

Arizona's central location in the region has also made the state an ideal transit point in the semiconductor industry supply chain.

"With all this semiconductor expansion going on, we're ripe for the supply chain, whether you're a first-tier or second-tier supplier. We've created the Elliott Road Tech Corridor and the Pecos Advanced Manufacturing Zone to invest in infrastructure and cut entitlement risk. Those developments have been very positive for us," said **William Jabjiniak**, the recently retired director of Mesa Economic Development.

To the northwest, Nevada is building further on its existing relationship with Japan, both on the economic and cultural fronts.

"In Nevada, Japan is the sixth-largest importer of products. We export electronics and other products to Nevada. Exports from Asia to Nevada are increasing. Also, Japan is the largest investor in the production background in Nevada. We are the largest job creation country in Nevada in terms of production," said **Yasushi Noguchi, former consul general of Japan in San Francisco**.

"And speaking of Japanese and American residents, there are 4,000 Japanese in Nevada and 30,000 Japanese-Americans living in Nevada. I would also like to point out that in these 20 years, the number of Japanese-Americans has increased significantly," said **Noguchi**, whose office also oversees Nevada.



From its plant in Casa Grande in Pinal County, Lucid assembles all-electric, high-performance luxury vehicles. In 2022, the \$700 million facility rolled out more than 7,000 units of its Air sedan. A soon-to-be-finished expansion will enable the production of Gravity, its first SUV.

## ARIZONA: A GLOBAL DESTINATION FOR BUSINESS

Over the last two years, **Arizona** has attracted several global technology companies, making it the top location for foreign direct investment in the country. In 2022, the state reported nearly \$32 billion in additional investments from 35 international companies.

At the top was Taiwan Semiconductor Manufacturing Co.'s \$28 billion investment to build a second factory in Phoenix, which brought its total investment in Arizona to \$40 billion, one of the largest in U.S. history and the largest ever in the state.

Since 2020, two dozen other semiconductor companies and suppliers have announced projects and expansions, further cementing Arizona's position as a center for semiconductors.

A growing number of American companies based in Japan have announced expansion projects in Arizona.

Fujifilm Electronic Materials U.S.A. Inc. completed an \$88 million expansion of its electronic materials facility in Mesa in 2022, while NRS Logistics America announced plans to build a semiconductor chemical and gas products distribution and storage facility in Casa Grande.

Additionally, JX Nippon Mining & Metals

USA Inc. is building a 25,363-square-meter electronic materials manufacturing plant also in Mesa.

To attract new partners and support further economic and trade collaboration, Arizona recently opened trade and investment offices in Taipei and Seoul.

To complement that effort, **Gov. Katie Hobbs** led an Arizona trade delegation in September to meet with government and business leaders in Taiwan and South Korea.

"Arizona's global competitiveness is fueled by our unmatched business climate, growing workforce, proximity to global markets and world-class educational institutions," Hobbs said.

"In recent years, industry-leading Japanese companies have announced operations in Arizona. We are grateful for those companies' investment in our state and are hopeful we will continue to successfully work with more Japanese companies that are seeking to expand operations to Arizona," she said.

For more information, please visit **azcommerce.com** and follow the Arizona Commerce Authority on X (formerly Twitter) at **@azcommerce**.



Arizona Gov. Katie Hobbs



## AT A GLANCE: TERUMO BLOOD AND CELL TECHNOLOGIES

Considered the father of Japanese medicine, Dr. Kitasato Shibasaburo was a renowned physician and bacteriologist whose face will appear on Japan's ¥1,000 bank note in 2024. More than 100 years ago, he founded **Terumo Corp.** in Tokyo as a thermometer manufacturer.

Today, Terumo comprises three companies, generates more than \$5.58 billion (about ¥820 billion) annually as of March, and employs more than 30,000 associates around the world, all dedicated to contributing to society through health care.

Shibasaburo's legacy has continued to inspire **Terumo Blood and Cell Technologies** in Lakewood, Colorado, for the past 56 years. A hospitable location for business innovation, Colorado is the home of many international companies, including Japanese aerospace company ispace Inc. Globally, Terumo BCT has 7,900 associates, seven manufacturing facilities and 400 distributors in more than 150 countries.

Terumo BCT's sales revenues grew 8% from fiscal 2021 to fiscal 2022, with forecasts for 2023 looking positive.

Driven by a legacy of excellence of more than half a century, Terumo BCT keeps patients at the heart of everything it does. It has four areas of focus: innovation, automation, access to care and collaboration.

From lifesaving blood transfusions to next-generation therapies, Terumo BCT capitalizes on its knowledge of blood and cells as essential components to develop an extensive range of treatments. Its



Terumo BCT uses its extensive expertise to develop a wide range of life-saving treatments and therapies.

purpose-driven employees and innovations play an important role in the collection, processing, development and delivery of those treatments.

Together with the global health care system, Terumo BCT is unlocking the potential of blood and cells to benefit patients even more. ■

→ <https://www.terumobct.com>

## CRAIG SHEDS MINING TOWN IMAGE IN REINVENTION

Transitioning from coal mining and coal-generated power as their main economic drivers, the city of **Craig and Moffat County** are re-positioning themselves as one of the best places to do business in the state of Colorado. Their efforts are paying off as more investment and jobs have come in.

Craig is situated in what the city calls a Rural Jump Start Zone, an Enterprise Zone, as well as an Opportunity Zone, where businesses enjoy various incentives. The city has also recently set up two Urban Renewal Authority areas, which offer tax increment financing to spur investment and redevelopment.

In line with its midterm goal to diversify its economy, Craig is building a pro-business climate that nurtures an entrepreneurial culture, is among the most affordable places to live in Colorado and has a skilled and ready workforce.

Topping the city's many assets is its people. More than 20% of its working population are college or post-graduate degree holders, and

a large percentage are tradespeople trained in highly technical industries directly from high school. With an abundance of engineers and computer-aided designers, the city is confident it has no shortage of highly skilled and competent workers.

Only 3½ hours from Denver and five hours from Salt Lake City by land, Craig has easy access to Interstate 70 to the south and Interstate 80 to the north and is only 27 km away from Yampa Valley Regional Airport.

Craig has also become a popular destination for visitors seeking unique experiences, like spotting wild horses and rare birds, as well as hunting, hiking and rafting. Among the most popular attractions are the Routt National Forest, Yampa River, Elkhead Reservoir and Dinosaur National Monument. For skiing enthusiasts, the slopes of Steamboat Springs are only 64 km away.

"Thanks to favorable incentives, lower costs of doing business, a highly skilled workforce, and a pro-business environment, the city of Craig is committed to ensuring entrepreneurs, industry and businesses of all sizes thrive in our community," said **Economic Development Manager Shannon Scott**. ■

→ [www.discovercraig.com](http://www.discovercraig.com)



Trapper Industrial Park is a fully independent location on a 4,532-hectare site with over 7,897 square meters of modern office and industrial space with dedicated utilities, explosion-permitting and uncontrolled airspace.



## PINAL COUNTY, ARIZONA: BUILDING MOMENTUM

The economy of **Pinal County** is surging. Located in central Arizona, between Phoenix and Tucson, the terms "unicorn" and "opportunity" are often used when describing the boom happening in the state's fastest-growing county.

Benefiting from the expansion in semiconductor manufacturing in the surrounding region, Pinal County has attracted many companies in that industry's supply chain. It has also convinced companies in the electric vehicle industry, such as Lucid Motors, Nikola and LG, to set up operations. In addition, it has seen new manufacturing projects emerge in the building materials industry, with companies like Kohler, Owens Corning and Gold Bond commencing operations.

"Pinal County is primed and ready to go. We're well-positioned for manufacturing projects here in America, and particularly in Arizona, to serve some of the largest economies in the world. We are a very business-friendly area," said **Pinal County Director of Economic Development James P. Smith**.

The Pinal County Economic Development team's strategy targets advanced manufacturing and involves, when appropriate, the use of foreign trade zones, wherein domestic and foreign goods may be stored in designated duty-deferred areas under the supervision of U.S. Customs and Border Protection. The strategy also includes state incentives, which may include tax credits for research and development and developing a highly qualified workforce.

"We are definitely seeking those advanced manufacturing jobs that pay good wages and require skilled workers. A primary focus is to create high-skilled, high-wage manufacturing jobs so that our residents can find good employment here in the county," Smith said.

Pinal County's central location is another major reason for the boom. Its main traffic corridors, Interstate 10 (stretching from the West Coast to the East Coast), Interstate 8, Route 60 and the Union Pacific Railroad Line, make the county an ideal logistics and supply chain hub and create significant opportunities for a multimodal warehouse and distribution network.

"We are close to large supply chains and close to a good transportation network. That's where we believe that our strengths lie and we want to take advantage of those strengths," Smith said.

→ <https://www.pinal.gov/ed> ■



LG Energy Solutions Arizona is expected to break ground on a battery manufacturing complex in Queen Creek, Pinal County, in the first quarter of 2024. The project represents \$5.5 billion in capital investment, 278,709 square meters of space, and 3,700 new jobs.

PINAL COUNTY

ARIZONA'S EMERGING MANUFACTURING & TECHNOLOGY HUB

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