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## A year on from their diamond anniversary - Japan and Australia relations continue to shine

Australia and Japan celebrated their 60th anniversary of bilateral relations in 2017. The relationship has continued to prosper under the Japan-Australia Economic Partnership Agreement (JAPEA) that entered into force in January 2015 and the two countries remain firm partners today.

Ambassador Sumio Kusaka shared his thoughts on the future of the Australia-Japan relationship with Synergy Media Specialists (SMS).



Sumio Kusaka, Japanese Ambassador to Australia

**SMS: How would you describe the Australia-Japan bilateral relationship in light of last year's 60th anniversary?**

Kusaka: The 1957 Japan-Australia Commerce Agreement paved the way for the

bilateral trade and investment.

**SMS: How has JAPEA benefited Australia-Japan economic relations?**

Kusaka: Given the rising protectionist sentiment and uncertainty around the world, Japan-Australia cooperation is now more important than ever, as evidenced by the leading role we played in bringing about an agreement on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

**SMS: What can be expected in terms of furthering bilateral cooperation?**

Kusaka: As we work toward realizing a free, open, stable and prosperous Indo-Pacific region, Japan and Australia will be the closest of partners,

owing to our relationship based on mutual trust and shared values and interests.

**SMS: What does the future hold for Australia-Japan relations?**

Kusaka: Looking ahead, I am convinced that Japan and Australia will further expand our economic engagements in various areas, including resources, energy, agriculture and infrastructure, as well as defense and security cooperation and people-to-people exchanges, which are crucial to a longstanding relationship.

For exclusive economic indicators and more leadership insights on the Australia-Japan relationship, read the full report at:

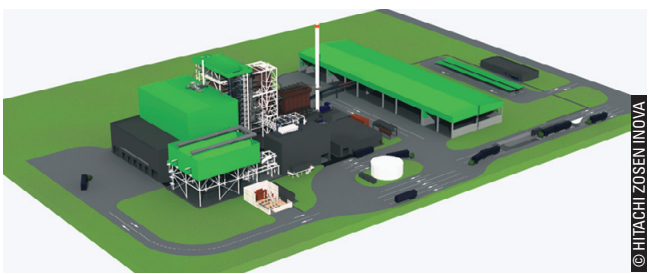
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## Supplying sustainable energy solutions to Australia

Waste management is a critical environmental issue. As the global population rises, so do landfill levels and improved waste management solutions are vital to the sustainability of our environment.

Japanese and Europeans have a long history of implementing effective waste management solutions. In 2010, Japan-based Hitachi Zosen Corp. purchased 85-year-old Swiss company Von Roll Inova AG; a global leader in technology supply and turnkey delivery of waste-to-energy projects.

The resulting company, Hitachi Zosen Inova AG has installed over 570 turnkey plants for thermal and biological energy recovery. In 2015, the Australian branch of Hitachi Zosen Inova was



An artist's rendering of the planned East Rockingham Resource Recovery Facility.

established to meet the challenges of Australia's rising landfill fees and ambitious recycling targets.

"As a leader in the global waste-to-energy market we are in a good position to educate people in Australia on the long-term benefits of investing in and constructing waste management facilities," explained Marc Stammbach, managing di-

rector of Hitachi Zosen Inova (Australia). Stammbach has been involved in developing, constructing and operating waste-to-energy plants around the world. The company recently signed an agreement with the Eastern Metropolitan Regional Council — a Perth-based government body, for the supply of waste to the East Rockingham Resource

Recovery Facility for a minimum of 20 years.

The deal essentially diverts waste from reaching landfills and converts it into clean, renewable energy. The waste produces 29 megawatts of baseload electricity — enough to power 36,000 homes.

"This pilot project is a steppingstone for our future projects across Australia," said Stammbach. "In the long term, waste management solutions will shift toward waste treatment facilities and we look forward to sharing and implementing our industrial expertise." ♦

www.hz-inova.com



## Delivering solutions to address the needs of the global packaging industry

The Kuraray Group is a specialty polymers and chemicals manufacturer active globally in trading, fibers and textiles, functional materials, isoprene and vinyl acetate derivatives; the last being the company's largest segment.

Today, the group is the global market leader in polyvinyl alcohol (PVA) resin, optical-use PVA film for liquid crystal display production, water-soluble PVA film and Eval, a marketed brand for ethylene vinyl-alcohol copolymer resins and films used in the food packaging industry.

Eval provides excellent barrier properties against the permeation of gases and preserves the flavor and quality of perishable goods.

In 2015, the Kuraray Group purchased Victoria-based Plantic Technologies Ltd. Established through industry-academia collaborations in 2002, the company manufactures Plantic, a bio-based, environmentally friendly barrier



Kenzo Okamoto, President of Plantic Technologies Ltd.

material, that is used in the food packaging industry.

"As a company providing solutions such as Eval, which is a chemically based product, we recognized Plantic would bring value to our business," said Plantic Technologies President Kenzo Okamoto. "We now have a bio-based sustainable solution that we can offer to our customers."

While still in its early stages as a company, Plantic has already done business with rep-

utable brands such as Nestle SA, Cadbury Ltd. and Mars Inc. and is delivering 121 million recyclable meat and poultry trays to Coles Group Ltd., one of Australia's largest supermarket retailers.

"Coles is our key customer and partner in Australia," said Okamoto. "They are able to reduce their impact on the environment by using our products and solutions."

With the Kuraray Group supporting Plantic Technologies' research and development and distribution channels, Okamoto intends to strengthen their business channels in Australia while reaching out to European and North American markets.

"By 2025, all packaging in Australia will be recyclable, reusable and compostable, and similar targets are being set in Europe and global brand owners," Okamoto said.

"Our products and solutions address the current needs of the global packaging indus-



Coles, one of Australia's largest supermarket chains, uses high barrier Plantic Technologies packaging for their house brand minced beef.

try. We will build on our innovative technologies through the combined expertise of the Kuraray Group and Plantic Technologies." ♦

www.plantic.com.au

www.evalvoh.com



## Australia's leading property and financial services company

Celebrating its 70th anniversary this month, the Prudential Investment Company of Australia Pty Ltd. (PICA Group) is Australia's largest property services company.

With over 700 employees and 30 branch offices on the east coast of Australia, PICA Group is committed to building on its highly respected reputation within the country's property and real estate sector.

Through its 15 subsidiary companies, PICA Group works closely with owners of residential, commercial, mixed-use properties, hotels and resorts to provide tailored services, financial management and industry advice.

PICA Group has been held as



Yoichi Nishio, Executive General Manager of the Facilities Management Division, and Greg Nash, Managing Director and Group Chief Executive Officer of the PICA Group

a joint venture for the last five years between Fexco, an Irish-based financial services company and Nippon Kanmai Co.

Ltd., Japan's leading property management and engineering services company.

"A five-year shareholder agree-

ment between both companies was signed in 2013 and this year we extended the agreement for another five years until 2023," said Managing Director and Group Chief Executive Officer Greg Nash.

Nippon Kanmai's investment is one of their largest outside Japan. The company's industry-leading position in their home market has enabled PICA Group to draw on the company's strengths and reputation and build a stronger portfolio of property-related services.

"Nippon Kanmai introduced us to facilities management services," said Nash. "While this is a relatively new business for us, we already manage 120 high-end buildings in Sydney."



The prestigious buildings at Central Park, Sydney's modern urban downtown hub, are managed by PICA Group.

Facilities management services help to protect customer investments. The operational management of residential and commercial properties involves the monitoring of buildings, elevators and lighting and fire-control systems to minimize future repair costs.

## Challenge traditional ideas and creating new opportunities

Nitto Denko Corp. is celebrating its centennial anniversary this year. The company is a global leader in the manufacturing of innovative products across core technology-driven areas — adhesion, coating, polymer function control and polymer analysis and evaluation.

Serving over 70 industries, the company's proprietary technologies translate to over 13,500 products that provide customers with innovative and unique solutions.

Within Nitto Denko's network of 96 global companies, the corporation's Australian operations are a testament to the uniqueness of the Australian market.

Established in the 1980s to serve the automotive manufacturing sector, the company has had to reinvent itself in recent years after the collapse of the automotive sector.

"Eighty percent of our business was dedicated to the automotive sector," said Michael Finn, managing director of Nitto Denko (Australia). "When the industry announced it would shutdown a few years ago, we knew we had to provide value to Nitto Denko's global network by utilizing our strengths as a company and serve other industrial sectors in Australia."

The company recently moved to new offices in a campus-like environment surrounded by open gardens.

"Today, we consider ourselves to be a startup company," said Finn. "We encourage our employees to be more flexible and customer-focused, as we are now in the business of providing more research and development solutions."

Finn and his leadership team identified agriculture as a key focus industry. "Our current con-



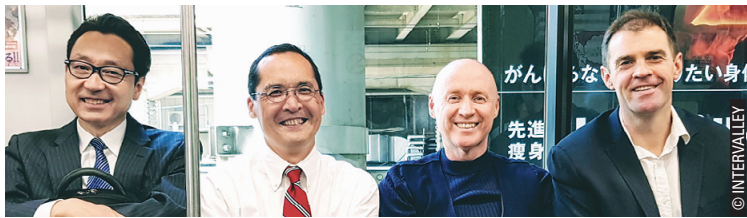
Michael Finn, Managing Director of Nitto Denko (Australia) Pty Ltd. Background art using Nitto's Haru stuck-on design PET tape

cepts under development are bridging across the whole supply chain, from enhancing farm management to food security," he said.

In identifying new business opportunities, Nitto Denko (Australia) is in a position to potentially roll out solutions tested in Australia to other Nitto Denko markets in Europe and North America.

"We are a Western market in an Asian environment," said Finn. "Australia is a sizable Western test market and is receptive to Japanese technology. We operate in the same time zones and here in Australia we have the advantage of being able to bring together government, industry leaders and customers. Today, we are an innovative company delivering unique products and solutions to customers across Australia. As we continue to bring value to Nitto Denko's global operations, we will challenge traditional ideas and create new business opportunities." ♦

www.nittoaus.com



Jun Hosoya, General Partner, Yasushi Kuroda, David Bolliger, General Partner and Richard Lawson, General Partner of InterValley Ventures

## Australia strong in artificial intelligence technologies

"Japan is now alerted that the startup scene in Australia is booming," said Jun Hosoya, general partner of InterValley Ventures Pty Ltd. "There are technology exclusives as good as the Valley, but at a much better value."

Hosoya and his Australian general partners, David Bolliger and Richard Lawson, established the AI Human fund, an early stage venture capital fund investing in breakthrough technologies tied to artificial intelligence. The fund specializes in companies that generate, control and learn from unique data sources, especially in health care, agricultural technology, food technology infrastructure and educational technology.

"Japan and Australia are the most developed countries in the Asian region and our team is founded on Japan-Australia collaborations," said Bolliger. "We have seen a real appetite from investors in both countries regarding our pipeline of disruptive innovation companies. Some of these companies are from Queensland, which already has strong ties to Japan."

"Australia is rated highly in medical technology and agricultural technology and is also strong in infrastructure. We are looking across all sectors at any new, AI-enabled businesses that will transform traditional industries," Lawson said.

With a combined initial anchor of approximately \$20 million, the fund is aiming for a total size capped at around \$150 million. The first close is expected in this year's fourth quarter.

"Our investors value our rapid growth strategy," said Bolliger. "We invest in excellent companies at low valuations, and will increase their value through our collaboration with Japanese and other regional partners."

Hosoya concluded that, "Our fund is appreciated by our Japanese audience and proves that Australia is now an ideal destination for investing in early stage tech companies." ♦

www.intervallv.vc



## Mining for success — contributing to Japan's reduction of carbon emissions

While renewable energy sources are expected to play an increasingly important role in global energy requirements, coal will continue to fuel primary global energy demands and advanced technology is helping to drastically reduce its carbon output.

An affordable and reliable source of energy, coal accounts for approximately a quarter of the world's total energy needs. Forty-one percent of global electricity demand is powered by coal-fired power plants and Japan is playing a leading role in the development and rollout of new high-efficiency, low-emission (HELE) technology power plants.

HELE coal combustion systems operate at extremely high temperatures and pressures achieving far greater efficiency and carbon dioxide reduction relative to older combustion systems, especially when fueled with high-quality coal.

Based in northwestern New South Wales (NSW), Whitehaven Coal Ltd., Australia's largest independent coal producer, supplies nearly 70 percent of the high-quality thermal coal it produces to HELE power plants across Japan.



Whitehaven Coal operates one of the largest Hitachi Construction Machinery fleets in Australia.

"Our coal basin produces exceptional quality coal that is high in energy and low in ash, sulphur and other impurities," said Paul Flynn, Whitehaven Coal's managing director and chief executive officer.

"As pioneers in HELE technology, Japan is building ultra-supercritical power stations and requires our clean coal in order to operate their plants efficiently," he said.

Whitehaven Coal produces thermal and metallurgical coal through six operating mines in the Gunnedah Basin in the north-



Whitehaven Coal supplies nearly 70 percent of the high-quality thermal coal it produces to HELE power plants across Japan.

western area of NSW.

One of Whitehaven Coal's tier-one assets and the company's largest mine, Maules Creek, was awarded the NSW Minerals Council Mining Operation of the Year in 2016. Eighty percent of the coal mined at Maules Creek is sold to customers in Japan.

"The Japanese market is very important to us and we have strengthened our relationships with our Japanese partners over the years," said Flynn.

J-Power Resources Co. Ltd., one of Japan's major power producers, holds a minority stake in Maules Creek and Whitehaven Coal's other tier-one asset, the Narrabri underground mine.

Whitehaven Coal is proud to receive financing from Japanese banks and today, operates one of the largest Hitachi Construction Machinery fleets in Australia. The importance of Whitehaven's relationship with Japanese customers, suppliers and government officials was recognized in April when the Whitehaven Coal board held its first overseas board meeting in Tokyo.

"At our recent board meeting in Tokyo, the Ministry of Economy, Trade and Industry informed us that we deliver 45 minutes of electricity to Japan every single day," said Flynn.

"Japan is taking a leading role in addressing climate change and plans to build up to 30 new ultra-supercritical power plants. This resonates with us and it is our responsibility to continue to deliver high-quality coal and play a role in reducing our global carbon footprint." ♦

www.whitehavencol.com.au

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