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On Target: Sporting nations share economic success

As investment opportunities continue to create strong business ventures and close partnerships, the New Zealand economy is attracting increased global attention.

The country's 4.6 million Kiwis have a well-known passion for sports. New Zealand is home to defending World Rugby Cup Champions the All Blacks and the country is the current holder of the prestigious America's Cup.

This spirit of competition plays an important role in New Zealand society. Comparable to the nations' sporting achievements, the country's economy ranks high in gender equality, economic freedom and ease of doing business.

In terms of the country's gross domestic product, New Zealand is one of the highest-performing nations within the 36-member Organisation for Economic Co-operation and Development. In the second quarter of this year, the country's economic growth hit a two-year high and forecasts for growth remain bullish.

Remarkably unaffected by the global financial crisis a decade ago, government debt is low and the country's banking and financial service



The 2015 World Rugby Cup Champion, New Zealand's All Blacks, will be defending their title in Japan next year as the country plays host to the Rugby World Cup.

es sectors continue to act as economic drivers.

While Japan is currently New Zealand's fourth-largest trading partner, ties date back to 1928 with the signing of the Provisional Arrangement between Japan and New Zealand Concerning Commerce, Customs and Navigation.

Today, Japan is New Zealand's fourth-largest export market, fourth-largest investor, fifth-largest inbound tourist market and third-largest source of international students. A new wave of Japanese corporate investors and high net worth individuals are seizing opportuni-

ties within the New Zealand economy.

"Our people-to-people relations are very well-placed," said Toshihisa Takata, Japan's former ambassador to New Zealand.

"Kiwis have a positive feeling toward Japan and this feeling is mutual. There are 43 sister-cities shared between our two island nations, a significant number for a country the size of New Zealand. Traditional trading relations between our countries are based on mutual trust and Japanese businesspeople recognize New Zealand as a source of high-quality services, products and commodities."

Timber, dairy, fruit and nuts account for some of New Zealand's most significant exports to Japan. New Zealand's largest export to Japan, aluminum, accounts for 16.6 percent of the total goods exported to the country (\$2.2 billion).

Japan-based industrial machinery manufacturers and leading Japanese automotive brands such as Toyota and Suzuki have found success in New Zealand's open market and are contributing to the Japan-New Zealand economic relationship.

"Japan and New Zealand believe in free trade and advocate for the Comprehensive and Progressive



Toshihisa Takata, former Ambassador of Japan to New Zealand

Agreement for Trans-Pacific Partnership (CPTPP), or TPP-11," said Takata.

"Our hope is that when this agreement comes into effect, companies from both countries will develop new areas of business together."

The government of New Zealand is encouraging investment in biotechnology, information and communication technology, infrastructure, film production, renewable energy, oil and gas and well-established commodity sectors.

In the coming years, the eyes of the world will be on Japan as the nation hosts both the 2019 Rugby World Cup and the 2020 Summer Olympic and Paralympic Games. In addition to their passion for all things sports-related, Kiwis are rediscovering their love for Japan.

"New Zealand is a great sporting nation," concluded Takata. "Our close ties will be further strengthened over the next few years through our shared pursuit of sporting recognition and our desire to further the partnerships and friendships shared between our two nations." ♦

Read the full New Zealand-Japan report at: www.synergymediaspecialists.com

Toyota: New Zealand's favorite automotive brand

Toyota Motor Corp. is the global leader in automotive sales. In the New Zealand market, the same holds true and this year marks Toyota's 31st consecutive year as market leader.

"The number of Toyota vehicles sold in New Zealand every year is almost double that of our closest competitor," said Alistair Davis, Toyota New Zealand Ltd.'s managing director of 11 years.

"Today, approximately 25 percent of all cars on New Zealand's roads are Toyota vehicles," Davis said. "This year we sold over 40,000 new and used vehicles, the highest volume we have ever recorded."

New Zealand's automotive sector is unique for a developed Western market as automotive sales are divided into new and used car imports.

"We are a major player in the used car segment," said Davis. "We import used Toyota cars from Japan, refurbish them and market these certified vehicles under our Signature Class brand."

Toyota New Zealand is challenging the traditional way of selling vehicles. Unique to global Toyota subsidiaries

and the New Zealand market, the company recently launched the customer-centric Drive Happy Project that aims to make buying a brand-new vehicle an even more pleasurable experience.

"Our business needs to evolve with our customers," said Davis. "We have transformed former dealerships into agents and relaunched these as Toyota stores."

This shift toward a retail-style business model will provide price transparency and consistency, better test-drive flexibility, more comprehensive extended warranties and a better overall customer experience, whether customers are buying online or in person.

"Our redesigned website allows visitors to customize their vehicles and calculate costs before their vehicle is even ordered," said Davis.

Radical changes such as electrification, self-driving cars and online sales are changing the global automotive industry. As a Toyota veteran of 39 years with the company, Davis is proud of Toyota's leadership role in the global industry and the company's position in New Zealand.



Alistair Davis, Managing Director and CEO of Toyota New Zealand Ltd.

"While the industry undergoes changes, we are in a strong position in New Zealand," Davis said.

"Toyota is driven by strong values and has a long-term approach to the market. These factors resonate with us living in an ethnically diverse nation and our aim is to ensure Toyota remains New Zealand's favorite automotive brand." ♦ www.toyota.co.nz

Sato New Zealand: The spirit of innovation

Tokyo-based SATO Holdings Corp. is a global leader in integrated automatic identification, data collection and end-to-end solutions. In New Zealand, the company has grown through three strategic acquisitions.

Kerry Langley, managing director of SATO New Zealand and head of the Oceania region, led the most recent acquisition of Jenkins Labels Ltd. In 2015, Jenkins, a domestic market leader in food and beverage labeling solutions, complemented the company's existing strengths in operational, courier and laboratory labeling, as well as its barcoding and radio-frequency identification traceability solutions.

"We continue to invest in the region, being the largest end-to-end labeling and traceabil-



Kerry Langley, Managing Director of SATO New Zealand and Head of the Oceania Region

ity solutions provider in the country," said Langley.

SATO works with many of New Zealand's leading companies, and while

printing billions of labels every year, reducing its environmental impact is a key factor in the company's day-to-day operations. "We have a strong position in the logistics and manufacturing industries, and we are developing innovative solutions for our health care and retail clients," said Langley.

The company will soon be launching Visual Warehouse™, developed for logistics and inventory management clients incorporating 3D mapping, video and audio.

The wearable display device allows the user to work on inventories hands-free thus improving efficiency in receiving, inspecting and shipping products. More importantly, the solution gathers real-time data of warehouse movement, and uses this data to optimize picking and pathway organi-

zation. This can have a significant effect on labor costs.

"There are strong synergies found between Japan and New Zealand," said Langley. "While both are developed economies, high labor costs are a challenge in both countries."

"As a company, we will continue to create innovative solutions for our clients that reduce cost and increase productivity. This is how we help them to be competitive on the global stage. By leveraging SATO's global network, we have been able to bring a number of new solutions to the region, and because of this unique ability, we see a bright future for SATO in Oceania." ♦ www.satonewzealand.com



Suzuki: A way of life in New Zealand

Japanese cars, motorcycles and outboard marine engines can be found throughout New Zealand's beautiful cities, towns, off-road tracks, lakes and rivers.

Suzuki New Zealand Ltd. is active in all three segments and continues to build on its reputation across the country.

The company was the first wholly owned Japanese company in New Zealand, following the acquisition of the Whanganui-based Suzuki distributor in 1984.

Since then, the company has become a dominant player in the light passenger car segment that today represents 6 percent of the country's automotive market.



The hugely popular SWIFT model has been the No. 1 selling car in the light passenger car segment for 13 years.

"Driven by our hugely popular SWIFT model, our market share in this segment is currently 26 percent in New

Zealand," said I.A. Peck, Suzuki New Zealand's managing director.

"The SWIFT has been the No. 1 selling car in this segment for 13 years and is currently the No. 1 passenger car in the country for private sales."

Suzuki New Zealand has also been the market leader in two-wheel motorcycles for 20 consecutive years.

"Suzuki has been committed to New Zealand for a long time," said Peck. "From our early days as a distributor, our success has been based on our local strategy, Suzuki's reputation as a fun brand and our close relationships with our customers."

From September, the company regained control of the distribution of its outboard

marine products and has plans to strengthen this business by providing better customer service.

"We will grow our market share in marine products and aim to achieve a 20 percent share by 2023," said Peck.

Peck, who has worked at Suzuki for 34 years, is proud to be leading one of Suzuki's top performing subsidiaries.

"We love the brand and when you have been with the company for as long as I have, you make a lot of friends along the way," said Peck. "We have an excellent relationship with our parent company and we fully expect this to continue into the future." ♦ www.suzuki.co.nz



I.A. (Tom) Peck, Chief Executive Officer of Suzuki New Zealand Ltd.

Bancorp: New Zealand's most innovative investment bank

Bancorp Wealth Management Ltd. is New Zealand's oldest and largest independent investment bank.

For over three decades, the firm has advised pioneering Japanese investors through a comprehensive range of tailored financial products and services. Recognized for their long-term approach to investment and the active role they play in contributing to the local economy, Japanese have long been favored clientele of Bancorp.

"We deal with the Japanese on several levels, including our involvement with the Japan New Zealand Business Council (JNZBC) that actively promulgates bilateral trade," said Craig Brownie, Bancorp's managing director.

"As we play a role in facilitating investments into New Zealand, we have developed strong relations with Japanese companies investing in the country and our private banking services are tailored



Craig Brownie, Managing Director of Bancorp and Mia Evans, General Manager of Bancorp and Vice-Chair of Japan New Zealand Business Council

toward Japanese high net worth clients."

"Our Japanese clients have been active in New Zealand for a long time and we are constantly strengthening our relationships," added Mia Evans, general manager of Bancorp and JNZBC vice chair.

New Zealand has an efficient tax system, public and private sector transparency, low import tariffs, lack of currency restrictions, a floating dollar and a strong political system headed by a stable government. The country is now attracting the next wave of Japanese investors.

"Since the global financial crisis, the New Zealand economy has performed well and today, we play a strong intermediary role for our corporate clients in key industries," said Brownie. "We have the expertise, we have Japanese staff who speak the language and we are driven to deliver."

"We provide a range of innovative products and personal service(s) for our individual customers and offer impartial advice in order to better serve our clients, including a suite of residency-eligible investments," said Evans.

In addition to private banking and wealth management, Bancorp has the largest team of independent treasury risk management advisers in Australasia.

"Our wide range of treasury services, flat fee structures and trusted reputation will enable us to continue to position ourselves as the partner of choice for our Japanese clients," said Evans. ♦ www.bancorp.co.nz



BANCORP

Enabling business between Japan and New Zealand

Increasing numbers of Japanese corporates and high net worth individuals are investing in New Zealand. In addition to traditional tax, accounting and advisory services, Japanese investors require a trusted, local partner who speaks Japanese and adds value to their business.

Established in 1945, Staples Rodway Ltd. is a member of Baker Tilly International Ltd., one of the world's largest advisory networks. As a locally owned, certified public accountancy and business advisory firm, Staples Rodway is enabling business between Japan and New Zealand. Their Australian affiliate, Pitcher Partners Pty Ltd., also works closely with mutual Japanese Trans-Tasman clients.

"We have successfully grown our Japanese practice since I started our Japan business 13 years ago," said Annette Azuma, the firm's director of business advisory and vice chair of the Japan New Zealand Business Council.



TEAM JAPAN: Taeko Howell, Business Advisory Services, Japanese Language Specialist; Sachiko Konno, Manager, Business Advisory Services; Annette J. Azuma, Director, Business Advisory and Ayumi Sugimoto, Book-keeper, Financial Administrator, Business Outsourcing

"Today, we are one of the preeminent firms for Japanese businesses in New Zealand. Our clients include listed and unlisted corporates; and high net worth individuals who are either permanently based in New Zealand or have permanent residency gained through the Investor Plus Visa."

Staples Rodway's Japanese practice TEAM JAPAN consists of Japanese language speaking experts and offers outsourcing, accounting and business services, international tax consultancy, human resource advice and other complementary services.

"TEAM' is an acronym of 'Together Everyone Achieves More' and we have associated this area of our business with sports, as New Zealand is a passionate sporting country," said Azuma. One recent achievement was Team NZ winning the last America's Cup.

Hosted by Japan, the 2019 Rugby World Cup and the 2020 Summer Olympic and Paralympic Games have been a catalyst for Staples Rodway to host a series of events to assist New Zealand companies as they enter the Japanese market.

"We host events that encourage Japan-New Zealand relations to flourish and we are planning our next event in November this year," said Azuma.

Azuma's passion for working with Japanese clients extends to promoting her country as both an investment destination and partner for Japan.

"In addition to New Zealand providing new opportunities in the construction and retail sectors to name a few, Japanese and domestic companies have established partnerships in order to enter third markets together," said Azuma.

"There are many reasons to invest in New Zealand. We invite companies from Japan to work with us and we look forward to welcoming our Japanese friends with open arms." ♦ www.staplesrodway.co.nz



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New Zealand Business Report

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Nelson Pine Industries: Nurturing success

Nelson Pine Industries Ltd. (NPIL) is a true New Zealand-Japan success story. Located in Nelson on the northern shores of New Zealand's South Island, NPIL processes Radiata Pine, a large softwood, from the Nelson-Marlborough region.

The company processes 40 percent of the region's annual harvest of Radiata Pine into GoldenEdge medium-density fiberboard (MDF) and NelsonPine laminated veneer lumber (LVL). With three production lines in operation, NPIL is one of

the largest single site producers of MDF in the world.

In 1984, NPIL was promoted by two New Zealand companies and invited Tokyo's Sumitomo Forestry Company Ltd. (SFC) to join as a shareholder as they provided an agreement to market up to 50 percent of the plant's MDF output in Japan under the brand name N-P Wood. SFC proved to be the right partner and the seeds of a strong alliance were sown.

"At the time, we had achieved a favorable cost of production and the introduction of the pioneering continuous press enabled us to offer our fiberboard in a wide range of thicknesses," said NPIL Managing Director Murray Sturgeon.

"Our location close to the port made the supply of MDF products easier and SFC also appreciated the light honey color of Radiata Pine; the stars truly aligned for both parties and SFC took on full ownership of NPIL in 1993."

In 2015, SFC purchased 30,000 hectares of the Nelson region's pine forests to secure a long-term supply. Earlier this year, Sturgeon and NPIL's 260 employees



Located in New Zealand's South Island, Nelson Pine Industries is one of the largest single site producers of Medium Density Fibre in the world.

received an award from SFC celebrating the company's annual profit growth for three consecutive years.

Today, GoldenEdge MDF is shipped to furniture manufacturers throughout Japan, Southeast Asia and the U.S., while LVL is used in the construction industries in Japan, New Zealand, Australia and Dubai.

Notably, NPIL's LVL products are being used in the construction of the new state-of-the-art Nelson Airport Ter-

minal that will tell the story of the region's famed timber industry. The fifty-year timber industry veteran Sturgeon is proud of the company's ties to Japan.

"I have been working with the Japanese for over 30 years," said Sturgeon. "It has been the most pleasurable experience of my career and I look forward to continuing to grow our business and strengthen our friendships." ♦

www.nelsonpine.co.nz



Murray G. Sturgeon, Managing Director of Nelson Pine Industries Ltd.

Daiken: A quality supplier and trusted investor

New Zealand's sustainable Radiata Pine wood is renowned for its quality, stability, durability, superior color and smooth finish.

An ideal wood for the production of medium-density fiberboard (MDF), Radiata Pine is used in the construction of furniture, doors, shelving and even children's toys.

Almost a decade ago, Daiken Corp., one of Japan's leading building material manufacturers, invested in an existing two-line

MDF production facility in Rangiora, north of Christchurch, New Zealand.

"We had two tropical plywood production facilities in Malaysia for the fabrication of MDF," said Managing Director Masahiro Yamazaki. "We wanted a more sustainable supply of wood and New Zealand was the ideal investment destination."

In 1976, the facility was recognized as the first MDF producer in the Southern Hemisphere and today the Customwood® brand is exported internationally. Daiken New Zealand Ltd. has developed a reputation for innovation, high-quality products and adheres to the highest environmental standards.

"Our facilities in Malaysia mostly supplied Japan and we wanted to expand into other markets," said Yamazaki. "Our production capacity in New Zealand is double that of Malaysia and our geographical location has enabled us to reach out to North America and China."

As a result of growing demand, in April this year, the company acquired its second facility, Daiken Southland Ltd. in Mataura,



The Daiken production facility in Rangiora, New Zealand is recognized as the first medium-density fiberboard producer in the Southern Hemisphere.

a town in New Zealand's southernmost region.

"Our focus today is on the quality of our products from both Daiken New Zealand and Daiken Southland and we intend to combine both companies to develop synergies and maximize efficiency," said Yamazaki.

Employing about 290 staff across both facilities, Yamazaki is proud of Daiken's role in the Japan-New Zealand partnership and the company's dedication toward resource management.

"Cooperation between Japan and New Zealand within the MDF industry is very strong," said Yamazaki. "Thirty-five percent of MDF sold in Japan is sourced from New Zealand and we are an active participant in this. We want to continue to build on our reputation as a quality supplier and trusted investor." ♦

www.daiken-nz.com



Masahiro Yamazaki, Managing Director of Daiken New Zealand Ltd.

Healthy, natural New Zealand goodness

The South Canterbury region of New Zealand is an agricultural oasis. Dairy, meat and produce companies across the region are surrounded by rivers, lakes, the Pacific Ocean and the Southern Alps, with the fertile land producing a variety of quality produce.

Japan has a desire to secure quality food sources to nourish its own and other populations. In 2014, one of Japan's largest trading houses, Sumitomo Corp. invested in Juice

Products New Zealand Limited (JP-NZ), having already sourced carrot juice from the company for the Japanese market.

"The country's natural goodness, clean water, fertile land, quality produce and stable business environment convinced us to invest in New Zealand," said Akira Yabuuchi, chief executive officer of JP-NZ. "Most importantly, the relationships we have fostered with our experienced growers, employees and customers swayed our decision."

JP-NZ produces and sells pure-concentrated juices with no sugar or additives. The juices are used as ingredients in food and beverage products. Carrots represent 90 percent of the company's production of concentrated juices but JP-NZ also produces feijoa, beetroot, boysenberry and black currant juices and concentrates.

While more than 80 percent of JP-NZ customers are in Japan, Sumitomo's investment and technical expertise has led the company to more sales in international markets.



Carrots represent 90 percent of the company's production of concentrated juices.

As consumers become more health conscious, the company is exporting to Australia, North America, Southeast Asia and China.

"Demand for our products is on the rise and we are considering new investments to increase our capacity and expand our product range to include greener types of vegetable juices and purees," said Yabuuchi.

JP-NZ's mission is to enrich and nourish the lives of people by bringing healthy, natural and high-quality products to its customers and their valued end users.

New Zealand's fertile land and exceptional produce will undoubtedly contribute to the company's future successes.

"Japan and New Zealand have a fantastic working relationship," said Yabuuchi. "I believe that with the growth of the affluent and health-conscious middle classes in China and Asia, we have a bright future ahead of us." ♦

www.jp-nz.com



Akira Yabuuchi, CEO of Juice Products New Zealand Limited