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BETTING BIG

Japan to gamble on global casino boom



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COVER PHOTO

MGM's proposed integrated resort for Osaka IMAGE COURTESY OF MGM RESORTS INTERNATIONAL

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– Page 22

ANTHONY FENSOM

"Betting Big" page 10

Hometown: Brisbane, Australia

Languages: English and conversational Japanese

Years in Japan: Six

Years in journalism? 16

Most memorable interview?

Inspiring people such as Japanese astronaut Mamoru Mohri and "Clean Up Australia" founder Ian Kiernan.

One change you would like to see in Japan by 2020? Make English compulsory from primary school through university, with a high level of proficiency required for graduation.

Thoughts on the importance of print journalism and its future? Journalism is as important as ever for democracy, whether in print or online.

What are you currently reading? The Big Short by Michael Lewis

What is one surprising thing that people may not know about you? I'm a fan of Japanese craft beer and an even bigger fan of Japanese whisky.

MAXINE CHEYNEY

"What Women Want from Work" page 14

Hometown: Nairobi, Kenya

Languages: English, French, Kiswahili, and Creole

Years in Japan: One

Years in journalism? Four

Most memorable interview? A friend of the late Loughborough alumni, Lisa Lynch, who became an editor at 26. Her story is one of the reasons I stayed in journalism.

Who inspires you? My grandmother. She was the definition of a strong independent woman.

One change you would like to see in Japan by 2020? Something that really grates on my nerves is excess food packaging. I would love to see fewer non-recyclable plastics being used.

What are you currently reading? The Color Purple by Alice Walker

One surprising thing people may not know about you? I enjoy combat sports, especially when I'm put in a difficult position that I have to fight my way out of.

KIT NAGAMURA

"The Moving Tale of Two Colors" page 20



Hometown: Coconut Grove, Fla. and Cape Breton, Nova Scotia

Languages: English, Japanese, and French

Years in journalism?

Twenty five years in publishing (fiction, poetry, haiku, essays, and journalism)

Most memorable interview? Some standouts would be Raymond Carver, Yayoi Kusama, and Taro Okamoto.

Mentors: My fearless and fiercely intellectual parents; Dr. Shuichi Kato; my writing instructors John Hawkes, Jim Shepard, and Charlie Baxter; my husband and my son; Yanagi Soetsu and Matsuo Basho.

Secret skill: I can whistle really loud and paint exceptionally well.

Thoughts on the importance of print journalism and its future?

Print journalism travels freely, widely, and without being excessively tracked. That could be more important than any of us know.



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ART AND BUSINESS



Christopher Bryan Jones chris@custom-media.com

Our March issue of *The Journal* focuses on art, gaming, and building successful careers as we visit the potential sites of future resorts, dress for success, and make social media work for business.

ROLL THE DICE

kappabashi

Legalized gambling is a major revenue generator in many parts of the world. After a decade and a half of debate, Japan is preparing to dip its toes into the pools of integrated resorts (IR). These large-scale developments that combine hotels, conference and convention centers, and entertainment facilities—including casinos—have the potential to boost the economy both locally and nationally. But the plan isn't without controversy. In our cover story (page 10), we explore the many angles of IR along with when and where the first might be built.

WOMEN AT WORK

Realizing the untapped potential of women in the workforce remains a top priority for Japan and the American Chamber of Commerce in Japan (ACCJ). Mentoring and encouraging young women as they begin their careers is critical, and was an important topic at the World Assembly for Women (WAW!) conference. On page 14, speakers from WAW! share their views on how companies can support women. We also sit down with fashion designer Junko Kemi on page 18 to find out how she tries to help women be themselves in the workplace, how she creates a female-friendly work environment in her own company, and what government and institutions can do to change the status quo.

IN BLOOM

Japan is also evolving in the creative world. *Ikebana*, the traditional art of Japanese flower arranging, has seen a decline in interest. But Mika Otani, a master from the Sogetsu school of *ikebana*, is working to change that by taking the art to a younger audience. Using social media, she has succeeded in building a business that excites those in their twenties and thirties and reaches from Japan to the United States. On page 22, we trace Otani's path from web developer to successful entrepreneur.

ON MESSAGE

In a world dominated by social media, one misstep can lead to a firestorm. What do you do when angry customers take to Facebook or Twitter to vent about your company? Crisis communications is an important part of public relations, and on page 24 we talk to some of Japan's leading PR experts about how to manage your message in times of crisis.

There's much more in this issue, including an interview with the second Japanese woman to go into space, a visit to an Azabu-Juban artistic mainstay, and coverage of the ACCJ's recent events. Turn to page 41 for the latest from the Tokyo, Kansai, and Chubu chapters.

A flagship publication of the American Chamber of Commerce in Japan (ACCJ), *The Journal* (formerly the ACCJ Journal) is a business magazine with a 54-year history.



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The Trust 10

Edelman trustbarometer 2017 | ANNUAL GLOBAL STUDY

To explore the complete 2017 Edelman Trust Barometer, visit www.edelman.com/trust2017

01 Trust in crisis

Globally, trust in the institutions of business, media, government and NGOs dropped three points in 2017. Media is at all-time lows, government trust continues to erode, and two-thirds of surveyed countries are now "distrusters," with under 50% trust.

O3 A broken system

Globally, 53% believe that the system is not working for them – it's unfair, doesn't give them hope for the future and leaders won't fix problems. 32% are uncertain, and only 15% agree the system is working.

Failing system + fears = action

Ten of the 28 surveyed countries combine an above-average lack of belief that the system is working with multiple societal fears – the same hotspots of recent populist actions: France, Italy, Mexico, South Africa, Spain, Brazil, Colombia, the U.K., Australia and the U.S.

Peers highly credible

07

For the first time, "a person like yourself" is as credible a source for information about a company as a technical or academic expert (all three at 60%). Credibility of CEOs is at an all-time low, with a 12-point decline in the last year.

09 Expectations for business high

The three most important attributes for building trust in a company are treating employees well, offering high-quality products and services, and listening to customers – and they matter even more to those who believe the system isn't working.

02 Trust inequality grows

Globally, there is now a 15-point gap between the trust held by the informed public and that held by the mass population – a threepoint increase in the last year.

04 Concerns & fears

Leading the list of societal concerns and fears we measured that are commonly associated with populist actions are corruption (69% concerned; 40% fearful); globalization (62% concerned; 27% fearful); eroding social values (56% concerned; 25% fearful); immigration (55% concerned; 28% fearful); and the pace of innovation (51% concerned; 22% fearful).

06 The media echo chamber

People are nearly four times more likely to ignore information that supports a position they don't believe in; don't regularly listen to those with whom they often disagree (53%); and are more likely to believe search engines (59%) over human editors (41%).

08 Business adds to fears

53% agree that the pace of change in business and industry is too fast. They worry about losing their jobs due to lack of training or skills (60%); foreign competitors (60%); immigrants who work for less (58%); jobs moving to cheaper markets (55%); and automation (54%).

With the people

10

The trust crisis demands a new operating model for organizations by which they listen to all stakeholders; provide context on the issues that challenge their lives; engage in dialogue with them; and tap peers, especially employees, to lead communications and advocacy efforts.



TRENDING



FROM JAPAN

Tweets in Japanese from people and media





Discussions from global leaders



JT

@japantimes

Japan hopes to have self-driving car guidelines drafted in fiscal 2017

https://t.co/paYz7hREA1

Japan News

@The_Japan_News

Businesses seek sales opportunities as Premium Friday campaign nears

https://t.co/P7uBdkf5Bi



HOTO: PAYLESSIMAGES / 123RF

Rank

- 3 **#iHeartAwards**
- 5 **#GRAMMYs**
- 8 **#WomensMarch**
- 21 **#SuperBowl**
- 22 **#Trump**

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Here's one way to fix Japan's aging society redefine old age

https://bloom.bg/2kw5mpT



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日本経済新聞 電子版 @Nikkei

ふるさと納税、過熱にクギ 総務相「改善検討」

Is *furusato* tax (tax paid to your hometown) booming too much? The Ministry of Internal Affairs and Communications is considering "improvements."*

* Translation of original content in Japanese





Sallie Krawcheck, influencer CEO and Co-Founder of Ellevest

OVERCOMING THE ODDS

The costs of starting businesses are coming down. Think cloud computing instead of rows of servers, shared workspaces instead of long-term leases, freelancers for certain functions instead of all full-time employees, social media instead of advertising, and video chat instead of business trips. After 15 years of political argument, the National Diet has approved a bill authorizing the establishment of integrated resorts (IRs) that combine casinos with hotels, conference, and entertainment facilities. Japanese lawmakers hope this will create a never-ending Olympicsstyle tourism boom.

Under the legislation, passed on December 15, the government gave itself another year to finalize an implementation bill that will lay down the terms of operation for what could become the biggest casino industry in Asia, if not the world.

Japan's move to legalize casinos has sparked a gambling gold rush, as foreign and local operators line up to get a share of a potential \$40 billion jackpot. But having experienced setbacks in the past, few expect a trouble-free ride to the development of the first resort, likely to be in Osaka.

Having quietly lobbied Tokyo for years, the industry is hopeful the government will not mess up what could become one of the most tangible reforms of Abenomics.

"It's been a frustrating journey, but with a surprising outcome. It felt like it was a Christmas tradition for the lawmakers to ditch the casino legislation, so last December's move surprised everyone," said Andrew Gellatly, head of global research services at GamblingCompliance, a provider of independent business intelligence to the global gaming industry.

"Japan has represented the holy grail for the gambling industry. It's very rare that a new, regulated industry like gambling can appear from nowhere in a sophisticated G7 economy like Japan's. If you go to any international hotel in Tokyo right now, chances are the lobby is full of American gaming lawyers and consultants—it's a bit of a gold rush."

READY TO PLAY

Legalized gambling in Japan is currently limited to lotteries and bicycle, horse, and motorboat racing. However, analysts suggest the pachinko industry, which operates in a legal grey area but generates sales of almost \$200 billion a year, is indicative of the potential for casino gaming.

"As we saw in Singapore, when you have a population that is already familiar with machine-based gambling, the resorts will open at full speed from day one," Gellatly said. "The population will be absolutely ready to play."

Analysts estimate annual gaming revenue of more than \$10 billion from two IRs, and this could exceed \$40 billion should Tokyo allow numerous resorts nationwide. By comparison, gambling-mad Macau generated about \$28 billion in casino revenue in calendar 2016, while the Las Vegas Strip earned \$6.3 billion in gaming revenue in 2015.

Singapore's two IRs, the Las Vegas Sands Corporationowned Marina Bay Sands and Resorts World Sentosa, operated by Genting Singapore PLC, are forecast by Fitch Ratings to generate \$4 billion in revenues in 2017.

MGM

BETTING **BIG**

Japan to gamble on global casino boom

By Anthony Fensom

"Japan will be a supersized Singapore, and it can even outstrip Macau," said Daniel Cheng, senior vice president of development for Asia–Pacific at Hard Rock Cafe International, speaking to *Bloomberg News*.

Already familiar to Japanese with its Hard Rock Cafe outlets in Fukuoka, Tokyo, Osaka, and Yokohama, the Florida-based restaurant and casino chain is reportedly seeking Japanese partners, eyeing a "major investment" in Japan.

Hard Rock and other operators face intensifying competition for the new IR licenses. Among those jockeying for position are the big two US operators—Las Vegas Sands Corporation and MGM Resorts International—along with US rivals

such as Caesar's Entertainment Corporation, Wynn Resorts Limited, and Boyd Gaming Corporation. Elsewhere, international competition is coming from Genting Malaysia Berhad and Australia's Crown Resorts Limited.

Significant investment will be required. Las Vegas Sands Chairman and CEO Sheldon Adelson, speaking at an investor conference in Tokyo on February 21, said that a Japan IR "would be at least what we paid in Singapore, \$6 billion including the land, but it could be as much as \$10 billion," according to CNBC.

MGM anticipates a similar cost and is touting the creation of a publicly traded real estate investment trust to attract investors.

"The kind of IR project that would be developed in large locations across Japan would likely have an investment of up to \$10 billion . . . [and] will involve a collaboration and consortium with many companies, likely with majority Japanese ownership," Ed Bowers, senior vice president of global gaming development at MGM Resorts International, told *The Journal*.

Similarly, Las Vegas Sands has flagged an "unmatched investment in Japan," saying it would work to develop an IR

IMAGE COURTESY OF MGM RESORTS INTERNATIONA

based on meetings, incentives, conferences, and exhibitions (MICE), "while also recognizing and celebrating Japan's unique heritage and culture."

Several Japanese companies have expressed interest, including travel agency H.I.S. Co. Ltd., developer Intrance Co. Ltd., railway operator Keikyu Corporation, and contractor Taisei Corporation, along with trading houses Sumitomo Corporation and Mitsubishi Corporation.

> However, only gaming company Sega Sammy Holdings Inc. has casino experience, having built an IR in South Korea in partnership with local company Paradise Group.

Pacifica Capital KK's Seth Sulkin, chair of the Integrated Resorts

Task Force at the American Chamber of Commerce in Japan (ACCJ), suggests the beneficiaries could extend even wider.

"When I started the task force, I was amazed at the number of industries that signed up," he explained. "Obviously, I expected gaming operators to be interested, but we've seen banks, law firms, accounting firms, education and training companies, advertising and marketing firms, and consultants from a range of industries—it's incredible the number of industries that expect to benefit."

REGIONAL BENEFITS

Legalized gambling in

Japan is currently limited to

lotteries and bicycle, horse,

and motorboat racing

A study by global advisory firm Oxford Economics has estimated that an IR in the greater Tokyo area would support 103,000 jobs on an annual basis, while generating annual tax revenues of ¥470 billion (\$4.1 billion) and providing an additional ¥180 billion boost to the local economy. Similarly, an Osaka IR could generate 77,500 jobs and annual tax revenues of ¥340 billion, while adding another ¥150 billion to the Kansai economy.

The Kansai Association of Corporate Executives is even more bullish, eyeing potential investments of up



An integrated resort concept for Kansai.

to ¥800 billion, annual revenues of ¥600 billion, and the creation of nearly 100,000 jobs by a Kansai IR.

Osaka's Yumeshima Island is a probable site, with about 80,000 square meters of municipal land available. With Japan's third-largest city eyeing a bid to host the 2025 World Exposition, an IR could aid Osaka's plans to regain its status as the nation's commercial capital.

Importantly, political support has strengthened Osaka's position as the front-runner in the race to host Japan's first IR. The governor of Osaka Prefecture and the mayor of the City of Osaka, along with local business and tourism organizations, have joined forces to promote Yumeshima. They are eyeing not only a casino, but also a convention center, hotels, shopping facilities,

and exhibition halls. Other leading contenders include Yokohama and Tokyo; in addition, a range of regional sites from Hokkaido to Nagasaki have also entered the race.

"Osaka and Yokohama are the two front-runners, although the issue is becoming politically contentious in Yokohama, with Mayor Fumiko Hayashi recently backtracking on some of her earlier support, while Osaka's proposed site of Yumeshima will require billions of dollars of new infrastructure investments," GamblingCompliance's Gellatly said.

A range of other IR sites have been proposed, including the Dutch theme park Huis Ten Bosch near Nagasaki, Wakayama Marina City, and various locations in Hokkaido and Nagoya. Backed by a number of local companies, Odaiba, an artificial island in Tokyo Bay, has also been touted as a potential site.

"This has always been pitched by the politicians as part of regional development, so they'll likely go for two IRs initially—at Osaka and Yokohama—and a regional site such as Nagasaki," an industry source told *The Journal*.

POLITICAL OBSTACLES

According to *The Japan Times*, a Liberal Democratic Party task force is expected to submit recommendations to the government by the end of March, addressing such issues as problem gambling and operational details.

The focus on problem gambling—or gambling addiction—reflects public concern over the industry's potentially negative impact. A poll by public broadcaster NHK in late 2016 showed 44 percent of those surveyed were opposed to casinos, with just 12 percent in favor and 34 percent undecided.

A 2014 health ministry study found nearly five million Japanese were addicted to gambling—principally pachinko—at an estimated rate five times that of Western countries such as the United Kingdom. The London-based newspaper *The Economist* estimates Japanese lose \$24 billion a year on gambling, lagging only China (\$62 billion) and the United States (\$117 billion).

> "Any time you talk about an integrated resort and the activity of a casino, people immediately bring with them images of Las Vegas in the 1960s. What's critical to consider, though, is that modern regulations cleaned that up," MGM's Bowers said.

"Japan is going to want to have the best kind of regulation," he added, "and fortunately there are many examples of it, with the closest being Singapore."

At GamblingCompliance, Gellatly suggested technology, such as identity cards linked to facial recognition software, could provide a solution to problem gambling. Training staff to address problem behavior can also help.

However, he criticized Singapore's move to charge locals a membership fee of S\$100 (US\$70) per day to restrict local access, suggesting it would be disastrous for addicts as it encouraged "loss-chasing behavior" by gamblers to win back the fee.

The ACCJ's task force has suggested options that "permit individuals to limit or restrict their own access to gaming," while calling for regulatory frameworks, similar to those existing in other industrialized nations, designed to prevent the involvement of organized crime.

Other potential stumbling blocks include the gross gaming revenue tax rate (the ACCJ suggests no more than 10 percent), and whether the government imposes consumption tax on casino gambling.

Analysts estimate annual gaming revenue of more than \$10 billion from two IRs Critics warn that corruption and organized crime also offer challenges.

The ACCJ's Sulkin also warned that a three-percent limitation on the casino portion of an IR's total gross floor area could make it impossible for smaller cities to host resorts without special exemptions.

Nevertheless, an industry source said Tokyo had shown a "remarkable" commitment to understanding the issues, with the goal of ensuring the best possible legislation.

"There are plenty of examples of casino control acts that would act as great examples for Japan," the source said. "The Cabinet Office has done very advanced work on the legislation, and appears ready to submit it to an extraordinary Diet session by November."

Along with responsible gaming, measures to promote the development of MICE business and the further development of the hospitality and tourism industries are a priority for Tokyo, which is targeting 40 million inbound tourists by 2020 and 60 million by 2030.

"They want to ensure there are ongoing reasons for tourists to keep coming back to Japan once the major sporting events are over," the source added.

Should the implementation bill be approved before year-end, industry observers expect Japan's first IR to be launched in 2023 at the earliest—a development that its Asian rivals are closely monitoring.

Sulkin expects Japan to have the advantage, though, with local customers likely to account for more than 50 percent of revenues. Significant non-gaming revenues are expected from new convention and shopping centers, as well as restaurants that attract both local and foreign tourists.

"Japan is a lot larger country than Singapore, with much more tourism resources," he said. "Combining a trip to Kyoto and Nara with an IR in Osaka is going to be an attractive option."

Wynn Resorts chief executive Steve Wynn has described the Japan casino market as an "opportunity [that] is thoroughly Japanese and thoroughly delicious."

Winning the public over will require raising awareness of the benefits of IRs, along with mitigating the risks. Should the government and industry succeed, Japan just might have a shot at winning one of its biggest bets in decades.

Singapore's Marina Bay Sands



NEW CASINO UPS AND DOWNS



SOUTH AFRICA SOARS

- South Africa's move to legalize casino gambling in 1996 has seen the growth of a tourismoriented industry that generates gross gambling revenue of about \$1.4 billion a year and created thousands of jobs for disadvantaged citizens.
 Fears of crime, corruption, and addiction proved largely unfounded.
- Found on the fringes of most cities, South Africa's 40 registered casinos have been designed to attract tourists and typically include hotels, restaurants, and bars along with large entertainment complexes.
- According to South African Tourism, many have been designed around a specific theme and are aimed at being one-stop relaxation destinations for business and leisure travelers, with access to both indoor and outdoor entertainment.
- Among the most popular is the Sun City complex in North West Province, famous for its golf course, game drives, and outdoor activities. In Durban, Sun Coast Casino has its own private beach, while Gold Reef City, Montecasino, and Emperor's Palace in Johannesburg, Gauteng, are geared to nightlife and indoor activities.



BRITAIN STUMBLES

- Plans by the Tony Blair government to create a new generation of mega-casinos in the United Kingdom under the Gambling Act 2005 fell apart following public backlash. While licenses were created for eight large and eight small casinos, by 2015 only three of the larger ones had opened, with plans for a super casino in Manchester blocked.
- The move by then British Prime Minister Gordon Brown to stop development of the Manchester casino, which would have created an estimated 3,500 jobs, was described by Blair as "the worst form of puritanism," under pressure from the church and media.
- Nevertheless, as of March 2016, Britain hosted 148 casinos, unchanged from the previous year. According to the UK Gambling Commission, the entire gambling industry brought in a total gross gambling yield of £13.6 billion (\$16.9 billion) from April 2015 to March 2016.

What Women Want from Work

Support, study, and self-belief start great careers

By Maxine Cheyney

Among the fears that most young women face when entering the job market are those related to job prospects, expectations, and the challenges of a competitive professional world.

The burden of this uncertainty is heightened for young women in Japan, where the battle for female involvement in the workplace and in leadership roles is still apparent.

The Ministry of Foreign Affairs of Japan (MOFA) has hosted the World Assembly for Women (WAW!) for the past four years.

Last year, the topic of women in leadership was discussed extensively. The consensus was that there is a need for more mentors and role models, and for better support for women pursuing careers and leadership roles.

MINDSET

Changing the mentality of both men and women is crucial, as is purging society of ingrained, defunct work culture and practices.

"A lot of support still needs to go toward helping women in the workforce gain the self-belief that they can successfully navigate rewarding career paths," said Jin Song Montesano, chief public affairs officer at LIXIL Group Corporation.

A lack of confidence to pursue careers and to take on leadership roles is an inherent problem.

Montesano recalled offering a role to a female member of her team.

"She refused the promotion because she believed she wasn't qualified for a bigger role. I was surprised at first frustrated even. Who doesn't want to be promoted?

"But, of course, this was my own unconscious bias. After probing a bit more to better understand her thinking, I realized she had legitimate fears. She did not want to be regarded as a *nabakari kanrishyoku*, or 'manager in name only.' This person thought the promotion was simply to meet the company quota."



Educational institutions should train students to succeed after graduation.

Sarah McKensey, HR leader for supply chain at Johnson & Johnson Japan, described the concept of *senpai* as another barrier. A shift in mind-set within companies is needed to break down traditional beliefs such as "only tenure can result in seniority."

Kentaro Sawa, manager of career development at Temple University, Japan Campus, suggested that, unlike male students, many females find it harder to envision being in managerial positions.

"I think it is just because they have more chances to see male managers... they do not see many female middle managers," he said, addressing the disproportionate number of male role models present in media.

An underlying issue discussed at the most recent WAW! conference is the lack of affordable childcare options for working women, and the need to involve men in child-rearing.

The number of child-rearing years a woman has falls as many men begin to gain traction in their careers, and some women find they must put their careers on hold at this point. This pause is lengthened by expectations that they will take on the role of caregiver for aging parents.

"Guess who society depends on to fulfill their needs? Mainly Japanese women—many of whom move right from their child-rearing years into parent caregiving years with very little time in between," Debbie Howard, chairman at The Carter Group, Carter JMRN KK explained.

David Swan, managing director of Robert Walters Japan, suggested that many of the necessary societal changes cannot be achieved by companies alone. He emphasized that "less pressure" should be put on women to assume these societal stereotypes.

Professor Megumi Taoka, Graduate School of Management, GLOBIS University, said she finds many graduates see themselves as "competent" individuals and are aware of their choices.

However, "What they are careful about is [not] getting trapped in a wrong environment that stifles their advancement."

WORK IT OUT

In many ways, it is down to businesses to incorporate the right infrastructure to support women at work and create an environment that promotes equal opportunities.

This was stressed at the 2016 WAW! Conference and the need for transparency with data, more flexible work styles, and a better childcare leave system were pinpointed.

Swan said one way of doing this was to "roll out an evaluation system to assess employees based on their performance, regardless of seniority, age, or gender."

Clint Navales, associate director of communications at Procter & Gamble Japan K.K. added, "Systems that are agile to address the changing needs of women across life stages are also important."

Just as in many international companies, this line of thinking is making its way into mainstream consciousness.

"The role of management and HR is critical in realizing this," stressed Kenya Yoshino, manager of the Career Office at GLOBIS University's Graduate School of Management.

Also important is the overhaul of certain aspects of the workplace. As Associate Professor Lailani Alcantara said, "Some organizational practices that are used as criteria for career advancement, such as overtime culture and job rotation, put women at a disadvantage." Alcantara teaches marketing and organizational behavior at the College of International Management at Ritsumeikan Asia Pacific University.

The Japanese government is implementing various ways to ensure reforms, including the Declaration on Action, which sees male leaders signing an agreement to promote women in the workplace.



Ritsumeikan Asia Pacific University students at graduation.

Johnson & Johnson's McKensey reinforced the need for change to come from the top. "Companies that have sponsorship and leadership from the C-suite—championing the belief that diversity is a business opportunity combined with a culture of inclusion," can actually make substantial change she said.

Yoshino also highlighted the benefits of having more women in the workforce. He said this means men can "live a more free and diverse work life," and can "live beyond the social expectation to behave as a strong, hard-working male figure."

Montesano acknowledged that companies must create an environment that prioritizes learning and development while recognizing that "men and women have different constraints, approaches, and needs to truly excel."

In addition, Sawa suggested, "If we can hire managers from the mid-career *tenshoku* market more, where people can change their work–life balance based on their life stage, more women will stay in the workforce and take managerial roles."

Japan holds some of the highest figures in the world for the number of students graduating from high school and enrolling in universities, both public and private.

"It's not the education and preparation," Howard emphasized, "it's the system [in Japanese companies] that does not support women to move into, and upward in, careers as much as it could."

"Japanese [companies]—even when they proclaim they are moving forward with hiring females—are less accustomed to integrating women into their workforces," she said. "They may thus find difficulties and subtle resistance points within their organizations."

This is where sharing practices and transparency is key.

LEARN BY EXAMPLE

Amid the criticisms, there are companies that are beginning to implement practical policies which are bearing results.

A focus on valuing performance, productivity, and overall contribution to the company must be assessed, rather than long work hours.

Stan Crow, chief executive of Northrop Grumman Japan, said that although international companies also have a long way to go, many are making conscious efforts to provide mentors and role models for our young female staff.

"We always ensure that these senior colleagues make time for the women in our office to talk about their careers and share experience. It is activities like these that support the young women in our company in Japan."

Masami Katakura, Managing Partner of Brand, Marketing and Communication at EY Japan, highlighted EY's career counselor service, which is offered to all employees.

"They can ask for counselors with particular experiences. For example, an employee who has brought up a child or those who have worked abroad ultimately a counselor who has a career similar to what an individual employee is aiming for," she said.



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University students discuss career choices in their final year.

Of course, this goes hand in hand with providing opportunities for women to take on leadership roles. McKensey said that Johnson & Johnson is "identifying top talent earlier in career," and various programs are in place "to accelerate key talent in preparation for leadership roles."

And the benefits of having more women in the workplace are tangible.

Howard suggested that international and foreign companies in general do a much better job of providing women with opportunities equal to those of their male counterparts.

These companies, she said, "benefit greatly from their broader-minded policies, experiencing heightened profits and morale in the long term."

Temple University's Sawa echoed this strength in diversity. Many international companies have learned that "the more diverse its employees are, the more powerful and better the company is."

LIXIL's Montesano agreed that corporate Japan has much to gain from a highly educated workforce of women. "The team is full of new ideas and creative solutions," she said of her own team. "We also see more open and spontaneous collaboration across teams, divisions, and even markets."

Northrop Grumman's Crow highlighted a study released in February 2016, conducted jointly by EY and the Washington DC-based non-profit group Peterson Institute for International Economics. It states that "more women in top management was correlated with higher profitability."

A shift is also needed in the recruitment of women. As GLOBIS University's Yoshino explained, many companies want to avoid a "loss in the workforce," and so the recruitment of too many women is sometimes avoided. However, it is widely agreed that applicants should be assessed based on their abilities and experience, not on gender or the status or name of the university they attended.

BACK TO ROOTS

As with many things, education is key. The right environment and the best information is what will foster a healthy mindset for women in Japan.

Thus, educational institutions should provide some of the training, support, and tools needed to succeed at and after university.

"Although Japanese corporations are being attacked for this issue of a lack of women in the workforce, including in managerial positions, I think educational institutions should also take responsibility," Sawa admitted.

It is important for educational institutions to cultivate an international mindset in students.

"Encouraging women to be involved in an international sphere is a quicker way to increase the number of female managers in companies, than waiting for society to change," Sawa said.

Along with the need for more female leaders, Taoka believes that, when it comes to business education, "we all need to understand more about men, not women, as the nature of men has been the dominant underlying context for business and social practices in Japan over the decades."

At Temple University, Japanese female students are actively encouraged to take internships at international companies where they can get work experience but also "see and learn from successful female managers to envision their own future goals," Sawa said.

The media also play a role in how the public views women in the workplace.

Taoka expressed her concerns that there is an unnecessary division of gender issues in the media.

In addition, "young people, both male and female, are tired of the idea of 'female champions' or 'superwomen,' and not interested in sugar-coated portraits," she said.

The Journal spoke with two Asia Pacific University (APU) alumni to find out what fears they think young women have when entering the workforce today.

"Many Japanese women look only for temporary jobs after graduating and do not fully consider having a long-term career. They already expect that, once they have a child, they will become housewives," explained Balica Alexandra-Maria, an APU alumni working in marketing and sales in Japan.

Jiji Teenida, who works in the telecommunications industry, added that the insecure mentality many women have is a barrier to growth.

"Women in Japan tend to believe they are not capable of [filling] leader roles compared to men, which leads them not to have a desire to reach the top."

PROGRESS

Change is coming, albeit slowly. Mike Myers, associate professor at Showa University's International Exchange Center, said, "a lot more [young] women are interested in entering the workforce and having a career."

With a continuous open dialogue, young women in Japan who are starting their careers should find more options and fewer restrictions. Societal changes will take more time, and working with both the media and educational institutions is pivotal.

EY Japan's Katakura said: "In international organizations, more than in Japanese organizations, there is a respect for real efficiency and competency at work. If you are competent, even if you are young, there is a likelihood you will be provided with opportunities."

Japanese companies should take heed of the efforts that many international companies are making regarding these issues, to support young Japanese women who are entering the job market.

As Taoka stated, "[Young women] would not mind working hard for a great career, but would be disappointed if their employers did not believe in the same and try to limit their possibilities in any way."

FEMININE



Women should not have to cast off their own culture to enter the workplace

TOUCH

Fashion frees women from dull office uniformity

By Samuel Thomas

It is rare that, outside Japan, you hear anything positive about the lot of women in the Japanese workplace. Well-meaning rankings and anecdotal articles frequently do little more than reinforce tired stereotypes. Still, change is afoot and there are many voices in the Japanese corporate world that have a nuanced story to tell—even some who dare to assert that there might be something that Japanese working women have to teach the world.

One important factor preventing progress in how women are viewed in the Japanese workplace is the ongoing prevalence of highly gendered uniforms. This is true both in the literal sense and in what is implied—from strictly structured dress codes that govern post-graduation job hunts right through to the president's chair. These remain highly gendered for both men and women, a visual reminder of the very different roles played by the "salarymen" and "office ladies" of years gone by, but a stumbling block now, considering how much has changed.

Representative of this change is fashion brand Kay Me, from entrepreneur Junko Kemi. Not just an oddity in the Japanese fashion world, Kemi is an unassuming revolutionary who has dispensed with the establishment path to the racks by forgoing trade shows and industry-only runways. Instead, she builds on her own experience in the Japanese corporate world to fashion the clothes she would wear to the office. In the process, she has managed to chalk up a Ginza flagship store, key retail positions at Japan's top department stores-including Odakyu in Shinjuku, Mitsukoshi in Nihombashi, Breeze Breeze Umeda in Osaka, and Isetan at Haneda International Airport-and even a presence in London. She's accomplished this in just over five years—less time than it takes the average brand that plays by the fashion industry's rules to get their first round of scattered stockists.

Kemi sat down with *The Journal* to talk about why she moved from marketing to fashion, how she sees women in the workplace, and what she aims to achieve with her designs.

Japanese fashion is a notoriously saturated field. With no background in fashion, why did you choose to enter it?

My background is in marketing and consulting, but I was always aware that, at the root of all market analysis, is the Japanese phrase ishokuju, meaning the necessities of life: food, clothing, and shelter. When you look at Tokyo, there may be a lot of fashion, but that is the way it should be. It is as important and necessary as food and shelter. After the Lehman shock and the March 11 earthquake, this idea of necessity came to have greater meaning for me. I wanted to make something that was really required by people in their lives. Of course, my background in marketing helped, and I knew that the bigger companies would be scared to compete with me if I chose a niche that wasn't a proven quantity yet. That niche was professional women; women with the drive to go beyond what society expects of them and who want to express themselves on their own terms in the workplace. There is also part of me that likes to be the rebel, and to a certain extent I just wanted to prove people wrong when they said the market was oversaturated.

One of the most important Japanese fashion designers of our time, Yohji Yamamoto, famously started his eponymous brand in rejection of Japanese "office lady" attire and how working women, as a whole, dressed. Is this a shared source of inspiration?

Perhaps. Although, ironically, given that Yohji Yamamoto mainly uses black, I feel that women's clothes are too dark! Fundamentally, I feel that historically it made sense that for women to enter the male-dominated workplace they first started dressing like men; but that can't be where it ends. Far more interesting is for women to be unapologetically feminine and be accepted for it. Women should not have to cast off their own culture to enter the workplace, nor deny their own nature between 9:00 and 5:00. Why shouldn't there be flowers in an office? In that sense, I am the opposite of Yohji Yamamoto—he wanted his clothes to protect women from men, but I don't think women need protecting.

My real inspiration is surprisingly conventional. My grandmother ran a kimono shop, so I am always attracted to traditional themes in my work. The Japanese motifs I use, in particular, have been key to reaching people abroad. It is not necessarily targeted like "Cool Japan," just a lucky coincidence. For Japanese customers, they are a way of building elements of kimono into their working wardrobe instead of wearing full kimono, which is hard in daily life—never mind the workplace.





As an entrepreneur, what do you look for in your employees? Do you actively create a female-friendly work environment?

I have been all around the world meeting entrepreneurs especially in the UK and East Asian countries—and I am frequently the only Japanese person, and nearly always the only Japanese female entrepreneur. Therefore, similarly minded people with an international mindset are my key assets. With that comes an ability to communicate in English, and the confidence that your ideas will resonate not only in your own country but globally. That is rarer than you think, and a big issue over the course of a career is that only high-ranking members of Japanese companies ever go abroad on business. That locks women out of having experience abroad and stops them thinking more globally.

In terms of workplace, I would like a fifty-fifty split in my workforce; but right now we are still at the early stage of growing, so it has been vital that everyone understands the shared goal. As I am dressing working women, I have far more women than men working for me for now; unfortunate, but it will change. Also, I insist on flexible working hours for my staff with children. It creates some small issues with timing group meetings, but it is easy to work through and worth it for the talent they bring.

What could institutions like the Japanese government and universities do to change the status quo?

Universities are taking the lead in thinking globally, but that is only half the battle—they need to create more competition among students—female in particular—so they have confidence to go abroad. That needs to be the spark that starts a movement.

As for the government, there are lots of programs out there to support companies like mine, but to be honest we just don't have the time to apply for them—they require so much documentation. So far, the programs feel like lip service from an older generation who doesn't understand mine; time will change that.

In the meantime, I am focused on thinking globally. We haven't targeted the inbound phenomenon as such because they are not necessarily our customers. Instead, I am focused on online expansion and taking my brand to Europe, and hopefully to America via New York in the near future. Of course, I want quick expansion; but ultimately we have been quality- and service-driven in Japan, so we can't forget that as we look abroad.

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THE MOVING TALE OF

Text and Photos by Kit Pancoast Nagamura

The quiet lowlands in Tokyo's Minato Ward have been inhabited since the Jomon Period (14,000–300 BC), but Azabu was finally named in the 1600s for its production of hemp cloth, a fabric slightly coarser than flax linen, processed from the sinewy stems of the *Cannabis sativa* plant. During the Edo Period (1603–1868), the lower regions of Azabu ran with rivers essential to the washing and softening processes of hemp fabric production.

Today, if anyone pays tribute to the origins of Azabu's name, it would be Amy Sylvestor Katoh. A prolific author of books on the spiritual heart of handicrafts and architecture in Japan, and a fervent supporter of rural and sustainable traditional arts, Katoh (75) is perhaps best known for her Azabu-Juban shop, Blue & White, which features indigodyed textiles. For 41 years, Blue & White has woven together Japanese and non-Japanese into a fabric of appreciation for handmade products.

Blue & White's offerings—soft cotton *yukata* fabrics, mesmerizing stitched *sashiko* mandalas, and hand-built pottery items—are all selected by Katoh, who has a keen eye for both quality and charm. The narrow little shop is abuzz with customers, some of whom have come just to soak in Katoh's intelligence and humor, and to hear her impassioned explanations of the artisans behind each object.

I ask Katoh what brought her to Japan. "I was a provincial young woman from Cohasset, Massachusetts, and I knew nothing of Japan," she says, "except that we had fought a war. Then, one summer, I volunteered at a camp for the blind, and I met this young guy. I wasn't aware of his nationality or anything; I was 16 and he was 19, and he was just a really funny fellow. Yuichi and I spent the whole summer with the blind, swimming, bowling, and water skiing together-all those things you'd think blind people cannot do."

That formative summer spooled into three life changes for Amy. First, in 1962, she visited Japan and found herself enthralled with the people and the place, just barely recovered from the war. Second,



she married the man who made her laugh, Yuichi, and moved to Japan. Third, she determined ways to continue helping the disadvantaged in society.

Katoh opened Blue & White in 1975, with two friends. "At that time, no one was paying any attention to Japanese craftsmanship. The Japanese themselves only bought stuff that was new or had a foreign label," she says. "My friends and I knew that we had to support craftsmen and help them make items that were useful for the time, or they would disappear. Crafts are the strongest things that Japan has to offer, and the aesthetic tradition is Japan's gift to the world. I want to let these traditions dance a little and go in new directions, and be relevant and exciting for us."

Over the years, Katoh has launched the careers of several

If anyone pays tribute to the origins of Azabu's name, it would be Amy Sylvestor Katoh.

serious artisans, supported charity events for disaster victims, and even involved the mentally-challenged in the joy of creating crafts.

Katoh chose to set up shop in Azabu-Juban for several reasons. "It was, and still is, an amazing mixture here, of Koreans, foreign diplomats, *yakuza*—it's the most melting-pot place in Japan," she says. Additionally, her four children attended nearby Nishimachi International School, renowned for its bilingual education. "We all used to work here as kids," her daughter, Mia (50), says with the eye-roll and gentle tolerance of all kids who get sucked into their parents' businesses. "But you know, people from around the world, from those early days, still drop by. That's important. I hope they will come find us when we have moved."

Wait, moved?! "We're just going next door," Amy reassures me. From April, Blue & White's iconic cement steps inlaid with pottery shards will be replaced by an escalator. Amy already feels nostalgic for her cozy shop of 41 years. "But," she says, "our new place will be a young and energetic expression. Things are increasingly upmarket in Azabu, but, really, the concept of neighborhood is writ large here."

Mika Otani turns disaster into beauty

By C Bryan Jones

The events of March 11, 2011, changed the lives of many, even those fortunate enough not to have been physically impacted by the Great East Japan Earthquake and Tsunami. Witnessing the ephemeral nature of existence moved many to reassess their lives. It led Mika Otani to open Atelier Soka, which provides Sogetsu *ikebana* classes at three locations in Tokyo.

At the time of the disaster, Otani was working as a web publisher. Nature's reminder that life is short triggered her decision to pursue something she felt would be more rewarding. An *ikebana* master who has studied the art for nearly 30 years, Otani wanted to change perceptions of the traditional craft.

"Most people think of *ikebana* as simply a Japanese style of arranging flowers. *Ikebana* is much more than that, and is quite different from traditional floral arrangements in Europe and North America," she explained.

So, she began offering classes at her home studio in Tokyo's Setagaya Ward, near Soshigaya Okura Station on the Odakyu Line. With very little money to invest, starting out wasn't easy.

"I didn't know how to get students," Otani said, "so I put my leaflet around [the neighborhood] and put my pamphlet in the newspaper. After that, I was standing at the station to give out my brochure."

All this worked, and soon she had five students. That was enough to find out if the idea could be turned into a business.

"It was a lot of risk, but for my home studio [the business] didn't have to pay rent, so I wanted to try," she explained. "It took a lot of courage, but I wanted to go forward. I thought that I have to see for at least one year. And after one year, if I [have] just five students, I have to quit."

One year later 50–60 students had signed up.

ARRANGING SUCCESS

The key to quick growth for Atelier Soka was Otani's connection to technology. Her experience as a web publisher naturally led her to embrace the Internet and social media. It was the perfect path to achieving her goal.

"I wanted to convey the beauty of *ikebana* to younger people and to foreigners, but the number of students in the *ikebana* world is going down. Younger people have a stereotype image of *ikebana*. They love more of a European type of flower arrangement. Their idea about *ikebana* is that their grandma was doing it at home."

But Facebook, Instagram, and a talent for photography have come together to form the perfect tool for turning the tide.

"I wanted to convey correctly the beauty of *ikebana* to young people, so I picked up a new strategy," she explained. "Using technology is not so new, but in the *ikebana* world—which is a really conservative world—it is."

According to Otani, the key to getting young people interested in studying *ikebana* is the camera. "We need to show beautiful photographs," she stressed. "There are so many good teachers who can make really creative, modern works, but they do not convey those to people. I upload beautiful photos of my work almost every day to Facebook and Instagram. And if people see my work and like my work, they will come to my class."

EXTENDED REACH

The visual, social media-driven approach has paid off. In addition to her home studio, Otani's Atelier Soka now has locations in Roppongi and Omotesando, on the famous Cat Street. And the student makeup reflects the approach: "Almost all the students in my classes are young twenties and thirties. Normally, *ikebana* classes include students in their fifties and sixties."

Embracing social media has also allowed better communication. "Young people don't call anymore," she said. "They text me. Maybe it is really comfortable for them. They never call me." But that's fine with Otani and, in fact, allows her to continue nurturing overseas students once they return to their countries. One student from the United States and another from Singapore are now teaching *ikebana* as a business back home. Otani keeps in touch with them via Facebook, and when they have questions she gives them advice via text messaging.

Otani's online presence has also attracted attention from the tourism industry. She was asked by Airbnb, Inc. to develop an *ikebana* class for the San Francisco-based home-sharing company's "Experiences" program. Tokyo-bound travelers can book the Exquisite *Ikebana* Experience when making reservations on the Airbnb website. The program brings guests to Otani's home studio and costs ¥24,000 per person.

"Airbnb wanted to make a special tour—not touristy, but put the essence and philosophy of *ikebana* into it," she explained. "I made a special class in which we get together for almost eight hours over two days." The extended length of the program gives her a chance to share not just *ikebana*, but Japanese culture in general.

She also presents a class for Japanese travel agency H.I.S. Co., Ltd. The two-hour offering provides a sampling of *ikebana* for inbound tourists with limited time in Tokyo.

GO FOR IT

Otani's collaborations with Airbnb and H.I.S. are examples of her driving philosophy: "say yes."

Always open to trying new ways of bringing *ikebana* to the world, she has accepted the offers and challenges that have come her way. Her beautiful creations have become widely known, largely through word of mouth, and she has been asked by companies such as French jeweler Cartier International AG and Japanese sweets maker Toraya Confectionery Co. Ltd. to design for their Ginza stores.

She even created works of *ikebana* for a movie last year: *Sangatsu no Raion (March Comes in Like a Lion)*. Based on Chica Umino's manga series of the same title, the Toho Co., Ltd. film follows the everyday life







of a 17-year-old player of *shogi*, or Japanese chess, and is scheduled to be released in two parts this spring, on March 18 and April 22.

From disaster can emerge beauty and success, as Otani has proved with Atelier Soka. For those considering a change of direction, those wanting to bend the entrepreneurial branches, her advice is simple: "It's really scary and requires a lot of courage. You have a lot of excuses to avoid doing new things. But if you don't try, you'll never know. If you want to do something, go for it."

atelier-soka.com/english

DAMAGE CONTROL

Manage your message in a crisis

By Julian Ryall

It may be a self-evident fact of business life, but

crises happen.

A corporate crisis may be the result of unavoidable outside factors or it may be a blow that has been selfinflicted. In either case, the way in which the fallout is handled determines the organization's immediate—and potentially long-term—future.

Because social media plays such an important part in forming public attitudes toward companies and their products or services, the response to an issue can, analysts say, literally make or break the future of a corporation.

"There is an expression that sums the danger up perfectly," said Jonathan Kushner, managing partner for the Asia operations of strategic communications agency Kreab.

"'A brand is built over time, but it can be destroyed overnight'—and that's absolutely true," he told *The Journal.* "If a company loses the trust of its customers, its investors, its partners, and its staff, because it mismanages a situation and fails to take the appropriate steps to

do the right thing, then its brand can be damaged very, very quickly."

A brand is built over time, but it can be destroyed overnight

LASTING IMPACT

Yoko Kato, director of the Crisis and Risk Division at Edelman Japan, goes further and warns that "mishandling a crisis does more damage than the crisis itself."

"A thoughtless comment can ruin reputations and consumer loyalty for the long term," she said.

While none of the communications specialists interviewed for this story would comment on individual examples of corporate ineptitude made worse by fumbled attempts to rectify the situation, one does not have to look too hard to find representative cases. Hisao Tanaka, CEO of Toshiba Corporation, described in late 2015 the accounting scandal that saw profits being inflated by ¥224.8 billion over seven years as "the most damaging event for our brand in the company's 140-year history."

A panel of three lawyers concluded in a report that five former executives should be held responsible for negligence and pay damages; but also declared that "it will be difficult" for the company to fully regain the public's trust. The markets agreed, and the company reported a group operating loss of ¥90.49 billion for the first half of the subsequent fiscal year—the first time it has ever recorded a group operating loss for the April–September period.

And Toshiba is far from alone.

In October 2015, Asahi Kasei Construction Materials Corp. admitted falsifying information at 266 construction projects over the previous decade, including apartment complexes, schools, and hospitals. Six months prior, Toyo Tire & Rubber Co. Ltd., one of the leading Japanese manufacturers of seismic shock absorbers designed to enable large structures

> to withstand earthquakes, admitted that 145 buildings had been fitted with substandard equipment.

And in a case with major implications for the Japanese

auto sector in the United States, the president of Takata Corporation resigned in December 2014 over a scandal involving faulty air bags for vehicles that were blamed for at least seven deaths in the United States. More than 34 million cars there were fitted with the air bags, which were found to explode and send shrapnel into some passengers' bodies in the event of an accident.

Kushner says there is a long list of things that can go wrong at a company, from regulatory and legal issues that mean it may have broken the law,

to operational problems, inappropriate behavior by staff, a product recall due to potential damage or injury, or cybersecurity failures that lead to the leaking of personal information.

"Because of the rapid growth of social media," he said, "we have seen in recent years, that a crisis can escalate and go viral extremely quickly, simply because that is the way that social media works."

Fortunately, he adds, the vast majority of companies have recognized that they can be vulnerable to situations and have taken steps to be ready for the worst.

RESPONSE

"We all know bad news travels fast," said Robert Heldt, president of Custom Media KK, publisher of The Journal. "This can be further compounded with the rise in fake news-especially in social media. Therefore, it is crucial to take control of the situation very early and keep the communication channels open so that consumers can hear directly from the company versus what is being said about them.

Dan Underwood of Ashton Consulting in Tokyo says: "A crisis response plan is essential. This plan should define the communication hierarchy and clearly describe the roles of each officer-whether that be C-suite, corporate communications, or legal-while explaining how they fit into the communication plan."

He went on to explain that the plan "should identify key stakeholder groups and provide guidance on how to communicate with them. A response timeline is essential for managing the flow of information, both externally and internally, and standardized templates will save time and ensure consistency."

Heldt added, "The strategy should clearly outline the various scenarios and appropriate responses to each."

It is critical, Underwood emphasized, to explain what is happening, why it is happening, how it is being addressed, and the steps that will be taken to ensure that the same problem does not happen again.

"Social media teams should be given a set of response guidelines that explain how to identify and engage with fans, neutrals, and the angry, and how and to whom they can escalate unresolved issues," he added. "These guidelines should clearly define content publishing restrictions, such as the type and tenor of content that can be shared."

It is also imperative that a company's social media does not simply go silent.

"Stop broadcasting marketing and other frivolous content and focus on keeping audiences informed, answering questions, and directing stakeholders to essential information," Underwood recommends. "Staff your social channels around the clock to monitor conversations and manage contingencies. Crises are 24/7, not nine-to-five.

"And finally, if the company is active in multiple markets, the crisis response plan should provide for global alignment to ensure consistency of response and messaging."

Because Japanese consumers are highly-demanding, Custom Media's Heldt said that "it is all the more important for international businesses operating in Japan to be sensitive to the local sentiment and at all times communicate the situation in a transparent and timely manner."

In the same way that companies can be prepared by drawing up a "playlist" of proactive reactions to



We have seen in recent years that a crisis can escalate and go viral extremely quickly

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1 Spend time on headlines

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It is crucial to take control of the situation very early

PHOTO: KENISHIROTIE / 123R



a crisis, there is also a checklist of what not to do, said Sayako Suetsugu, marketing and communications manager for Meltwater Japan.

"When crisis strikes, you shouldn't wait for it to pass or hide what has happened," she said. "The faster it can be handled, and the more efficient and effective the communication is, the more likely that the crisis will be resolved sooner."

"Most of the time, consumers want to know what the current situation is and what the company is doing to resolve it," she continued. "Social media demands authenticity, and consumers want to see that. I find that people are more understanding when they are given an explanation and an action plan, even if the situation has not been resolved."

Kushner concurs: "One thing you absolutely don't want to do is to lie."

"You need to be as transparent as possible and, if your understanding of the issue is incomplete, then you need to say that an investigation is ongoing and that you are cooperating with the relevant authorities," he said. "This shows that you are making a proactive effort to resolve the problem."

Fundamentally, the problems experienced by Toshiba, Takata, Toyo Tire & Rubber, and others can be dramatically reduced by having procedures in place, said Edelman's Kato.

"A crisis plan is as important as an insurance policy," she said. "If you have a house, you get fire insurance. If you don't, you are vulnerable to risk. A crisis plan is a must for every organization." TOP TIPS

- Have a crisis plan in place for as many scenarios as possible
- Once a crisis strikes, deal with it in a timely fashion—being neither hasty nor tardy
- Seek third-party advice and act on the most appropriate elements of that advice
- Engage with your fan base to ensure they have all the facts and to prevent the crisis from further escalating
- Don't lie or be "economical with the truth." When the full truth emerges, and the company has been caught out for a second time, the fallout undoubtedly will be worse
- Be in control of the facts. Stating guesses and presumptions can be damaging
- Constantly assess the crisis level
- Communicate the company's actions to your own staff. They have a major stake in making sure the problem does not snowball and need to be kept informed
- Whenever possible, to minimize conflicting comments, have a single spokesperson communicate the company's message in response to a crisis

ASIA IN SPACE

Japanese astronaut Naoko Yamazaki sees the future

By Shotaro Tani



From a young age, Naoko Yamazaki was fascinated by space. She grew up watching anime about intergalactic adventures and would often go to the local planetarium with her brother. So, it was perhaps no surprise that she would go on to become only the second Japanese woman ever to go into space—taking part in a mission to the International Space Station in 2010.

In an interview with the *Nikkei Asian Review*, Yamazaki discussed everything from Asia's role in the space race to when living on other planets will become a reality—even what the recent wave of protectionism sweeping through global politics means for space exploration.

What is your assessment of recent trends in space development?

Space development used to be run by the governments of powerful countries. Now, more and more entities are taking part: not just countries, but private companies as well. Government-led programs have to be funded by taxpayers,

meaning there are constraints on size and scope. But with private parties getting involved, the scope of space development opens up.

The international framework for space activities goes all the way back to the 1960s, with the Outer Space Treaty. But with so many private companies getting involved, there is a need for different guidelines.

I think in order for space development to expand further, governments need to come up with a framework that makes it easy for the private sector to enter the field, as Japan did with its Space Activities Act. Most countries do not have such laws, and I think other Asian countries will need similar measures in the future.

Space is an area where it is fairly easy to cooperate internationally.

Where does Asia stand in the space development race?

Activities are gathering pace in two fields: development of satellites for data use in

everyday lives, and space exploration in anticipation of the future. Asian countries are building a strong track record. China became the third country to launch a manned spacecraft in 2003, while India [succeeded in having its] Mars Orbiter Mission successfully enter Mars orbit in 2014—making it the first Asian country to do so. Association of Southeast Asian Nations (ASEAN) countries used to rely on other countries' satellites for space data for use in things like disaster prevention, but they are entering a phase where they can start building their own satellites. The microsatellite that the Philippines launched in 2016 is a good example.



Yamazaki sets off for the International Space Station from the Kennedy Space Center in Cape Canaveral, Florida, in 2010.



How long will it be before people live in space?

If you look at the International Space Station [(ISS)], people have been staying there for the past 15 years, albeit in turns. Water gets recycled there, urine is distilled and sterilized and turned into drinking water. Even air is recycled, with carbon dioxide being turned into oxygen. The technology to allow humans to live in space is already there.

What is holding things back is the cost of sending people into space; it is still too expensive. The cost of sending 1 kilogram into space is about ¥1 million (\$8,850), so there is a limit to how much we can take up there and who can actually go. But there are companies like SpaceX and Blue Origin trying to bring the cost down.

I think that within 100 years, humans will land on Mars. And not just land, but some will choose to live there. I also think that there will be more people going on trips into space, not just to the moon and Mars, but closer to the Earth as well.

Will we one day see, say, a Japanese astronaut going into space on board a Chinese or Indian spacecraft?

I think so. Space is an area where it is fairly easy to cooperate internationally. A case in point would be the Apollo–Soyuz Mission during the Cold War.

There are 15 countries taking part in the ISS, but the program is scheduled to end in around 2024. People are starting to think about the next phase. There are many

options like [joint exploration of] the moon, Mars or asteroids, and within that working group are countries like China, India, South Korea, and the United Arab Emirates, all countries which are not part of the present framework. I hope that the next stage for cooperation in space will be more inclusive and have a positive effect on relationships on the ground as well.

But the world seems to be moving in a different direction, and is increasingly becoming inwardlooking. How do you see that affecting things?

I think it is true that many countries are trying to introduce policies that are more inward-looking.

In a spaceship, there are no boundaries, and people from different backgrounds and nationalities live together. They obviously carry the national interests of their own countries, but, beyond that, we all strive to realize the bigger goal of keeping the spaceship working, and to conduct successful missions.

This has been said many times, but looking at the Earth from outer space, the planet looks like a spaceship itself. From that perspective, there are different national interests, but I hope that we will all strive to achieve our one big common goal: to sustain Earth and make it a better place. ■

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Luxury Recruitment

An interview with Alex Zoboli, senior manager at RGF Japan



03-6422-4400 www.rgf-hragent.asia/japan

What is the state of Japan's luxury recruitment market?

It's a mature, candidate-driven market with all major brands having been here for at least 10 years, but the increasing importance of digital marketing combined with a retail landscape, which is shifting to accommodate more sophisticated shoppers and increased levels of tourism, present unique recruitment issues.

What are the latest trends in the industry?

Everyone has been talking about Ginza Six, the largest retail facility in the Ginza area, for much of the past year. More than 240 global brands, including key players such as Christian Dior Couture, Valentino S.P.A., Yves Saint Laurent, and Van Cleef & Arpels are opening freestanding stores. We have seen a huge amount of recruiting activity focused on both the retail and corporate sides related to this project.

What differentiates RGF in such a competitive market?

Being part of Recruit, the number-one recruitment company in Japan, definitely helps attract brands and talent. Japanese candidates are extremely selective about the agency with which they work. RGF has unique relationships with key decision makers in Japan and at the European headquarters of major luxury brands, giving us access to unique and exclusive roles not shared with most Japan-based agencies.

What advice would you give to a brand that wants to attract the best talent?

Luxury brands work hard to develop their image for consumers, but should also develop an employer brand. Using a preferred recruitment partner with a unique talent pool to attract prospective employees makes the recruitment process easier and helps brands hold on to their top talent.

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Japan policy updates translated from *Keizaikai* magazine

MINISTRY OF LAND, INFRASTRUCTURE, TRANSPORT AND TOURISM

FOREIGN VISITORS FLOW SURVEY TO BECOME ANNUAL?

Until now, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has made public the results of a survey of the domestic flow of foreign travelers, which is conducted once every five years. Preparations are now being made to increase the frequency to once a year. Foreign visitors have begun to be regarded as a key factor in expansion of domestic demand, and are being treated as a strategic pillar. By obtaining a more precise grasp of the actual conditions of their flow, the government can anticipate better results in terms of measures adopted for tourism, and travel agencies will be able to formulate better product development strategies.

The flow survey of foreign visitors was first implemented in 2005, but the rapid growth in the number of foreign visitors over the past several years, together with the growing number of repeat visitors, has made it difficult to glean the actual conditions from a survey conducted only once in five years.

On January 10, the ministry website posted data compiled for 2014 that was obtained from the results of a "Survey in Trends in Consumption by Foreign Visitors" that had been conducted by Japan Tourism Agency (JTA).

The survey data was posted in a manner that would enable research organizations or travel-related businesses to modify or analyze it for their own purposes. This time the ministry posted the data accompanied by examples of analyses, including the routes taken by foreign visitors moving from the Tokyo metropolitan area to the Chubu region, which prefectures are visited by travelers to Kyushu, and where travelers stay overnight. The person in charge of the survey expressed pride, saying he believed it would "be useful for proposing strategies for tourism."

While upping the frequency from every five years to one can be viewed as major progress, it would clearly make more sense to issue the data on a quarterly basis since the survey is based on quarterly data compiled by JTA; but currently a lack of manpower represents a stumbling block.



CABINET OFFICE

KASUMIGASEKI REPORT

On January 23, the government issued its monthly economic report for the month, which contained a comment to the effect that "in some sectors, improvements have been delayed, but moderate recovery continues." This was unchanged from the previous month's report, as the same expression was used there. The explanation? Considering the protectionist stance of US President Donald Trump, "It's necessary to bear in mind the uncertain situation." This clearly reflects fears of the so-called "Trump risk" that has permeated the world.

"First, how will the United States move? Exclusionist trends are also appearing in Europe. They portend major influences on the Japanese and world economies, and we will need to watch things carefully," said Minister in charge of Economic Revitalization Nobuteru Ishihara at a press conference after the release of the January report.

On January 20, the first day he assumed the office of president, Trump made announcements regarding infrastructure investments, tax cuts and intention to withdraw from the Trans-Pacific Partnership (TPP) agreement, but without specifics or regard to schedule. It was anticipated that these points will be raised in his first State of the Union Address before Congress.

The monthly report is based on virtually all major economic criteria, including individual consumption, investment in plants and equipment, exports, and so on. Individual consumption "is showing signs of rallying," Ishihara said, raising such examples as improvements in the indices related to consumer psychology and recovery in new car sales.

If, however, Trump moves to revalue the US dollar to raise the competitiveness of American products, this is likely to result in lower share prices and higher value of the yen, raising the possibility that the optimistic corporate and consumer mindset will chill. If plant investments and individual consumption stagnate, the current "moderate recovery" may stall.

Some are seeing the fate of the Japanese economy as being "in Trump's hands," and this calls for extreme caution on the part of the government.

Kanagawa's Hidden Gems

Sake, food, and relaxation just beyond Tokyo

By Joan Bailey

A direct train ride from Shinjuku courses through a dense cityscape until it passes over the Tama River near Noborito. Here, the Tanzawa mountain range starts to rise in the distance. As the train makes its way southwest into Kanagawa Prefecture, fields increasingly dot the spaces between buildings, the mountains loom ever larger, and the landscape becomes laced with hiking trails, temples, and mountain huts. When I step off the train in Ebina, it's difficult to believe that Japan's second-largest city, Yokohama, lies just to the east.

IZUMIBASHI SAKE BREWERY

The first thing I notice on arrival at Izumibashi Sake Brewery in Ebina is the heron. The huge gray bird carefully picks its way through one of the adjacent rice fields, searching the flooded surface for a snack, seemingly oblivious to me or the hum of trains in the distance.

"Such encounters are not unusual in our rice fields," President Yuichi Hashiba tells me with a broad smile as we tour the brewery that his family has run for 160 years. Rice for their sake comes from the fields surrounding the brewery, plus four other sites scattered throughout the Tanzawa watershed. The pure mountain water that runs through these fields has made this plain an ideal place for farming and brewing the traditional Japanese drink. "We use river water for our fields, and spring water for our sake. It has a high mineral content, which is perfect for making a dry sake such as ours," explains Hashiba.

Izumibashi practices fully integrated production. They do everything from growing the rice to brewing and



bottling the sake. Hashiba carefully combines traditional and modern practices in every part of the process. The starter for the sake is mixed by hand and dried in cedar boxes, and a machine presses and filters the 30-day fermented brew into a large metal vat before bottling.

"We till the rice straw back into the soil in the fall and use the bran from polishing as a mulch in the spring," Hashiba says as he shows me photos of the fields throughout the growing season. In summer, fireflies appear, and in fall the sky is filled with red dragonflies, the symbol of Izumibashi.

ΚURAMOTO ΚΑΚΟ

The next stop takes me to Kuramoto Kako, the restaurant Hashiba opened a handful of years ago with Chef Shin Nemoto. Here they offer a seasonal menu of local fruits, vegetables, seafood, and meats paired with Izumibashi sake. The aim, Hashiba tells me as we sit down in the sun-filled interior, is to give visitors an intimate taste of the region.

"The sake is made here, so it only made sense to use local ingredients in our dishes," he says. "Most restaurants get their ingredients from all over Japan, but ours only come from here."

The menu changes every two days depending on what is available and in season. The experience—modeled



on Hashiba's experiences while visiting the wine regions of France—is quite extensive, and visitors should plan for a three-hour stay to best enjoy each of the eight courses.

Our shortened version starts with a fluted glass of Izumibashi's sparkling sake. Its light flavor shimmers on my taste buds and matches perfectly with the fresh salad of winter greens, gently boiled lily bulbs, slices of kumquat, and strawberries atop a base of mashed potatoes and red daikon.

Next comes a selection of starters that includes sardine poached with pickled plums, burdock root pickled in sake *kasu* (the leftover bits from the brewing process), and a thin slice of dried persimmon stuffed with cheese and potato paired with lzumibashi's Megumi, a dry *junmai ginjo* sake with a smooth finish. This balances the sweeter notes of each appetizer perfectly.

JINYA INN

A little further down the Odakyu Line, near Tsurumaki-Onsen Station in Hadano, is Jinya. Established as a base of operations by Wada Yoshimori, a close aide of a founder of the Kamakura Shogunate in the 12th century, this classic *ryokan* is an oasis just moments from the station.

The banto-san greets me in perfect Jinya tradition, banging a small drum three times before leading me up a gravel path through the garden to the main building. He pauses for a moment to point out a large camphor tree on the right side. "Do you know of Hayao Miyazaki?" When I nod, he tells me that the anime legend spent much of his childhood here playing in the gardens. "This 200-year-old tree is the inspiration for his film *My Neighbor Totoro.*"







物語に、息吹きを。



As evening falls and lights along the path flicker to life, it's easy to see how Miyazaki, a relative of the owners, was influenced. Graceful bamboo rises out of the hillside while red, white, and black carp swim lazily in the darkening waters of two ponds. A gray bulbul calls from the branches of a nearby maple tree, while inside yukata-clad guests pad their way down carpeted hallways where photographs of famous Japanese chess players hang. Jinya has hosted major title matches, welcoming enthusiasts and masters alike.

"We are not Hakone, and we are not Yokohama," said Tomoko Miyazaki, Jinya's landlady, her lavender kimono and sparkling white toed socks the perfect complement to the warm wood of the Edo-Period wing where we sat drinking hot tea. "People come here to relax, to enjoy the food and the garden. We offer them the feeling of the mountains."

The calcium-rich waters that fill the inn's cedar-lined baths have long been a draw for travelers on their way to Hakone, or to the temple at nearby Mount Oyama. The food is traditional, seasonal, and extraordinary. Much of it is harvested on the grounds throughout the year—fragrant citron citrus fruit in winter, bamboo shoots in spring, plums in early summer.

"The idea," Miyazaki says with a smile, "is to take your time, to talk, and enjoy the natural feeling of being here."

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The reputation of the recruitment industry is not always thought of in a positive light, but its place in Japan is becoming ever more relevant. The definition of career is changing, and in a candidate-short market it can be challenging to find the right people to fill a growing number of open jobs. Those seeking the best talent are turning to en world, whose focus on its core values bring customers the service that is right for them.

THE EN WORLD APPROACH

Changing the reputation of the recruitment industry is not en world's only goal. The company also rethinks the way clients and candidates are approached, valuing quality, diverse capabilities, and success after joining above everything.

"One thing we are trying to do is focus on training and development," said Yu Sato, vice president, Japan Sales.

It is this training that helps our staff develop and gain better knowledge and experience as professional recruiters.

Kevin Naylor, vice president, Japan Sales, agreed: "It's something we have always taken a lot of pride in, and that connects with retention."

A large part of ensuring reliable and effective service is having structures, processes, and standardization. This helps maintain a high level of trust with clients and candidates.

"It's about partnering with the client and partnering with candidates so you can have a long-term relationship with them that enhances the client's business and enhances the candidate's career," said new en world Japan President and Representative Director Vijay Deol.

Maintaining relationships beyond the first meeting is another priority for en world. Naylor explained that creating, through referral, a network that is harder to break from the outside is key.

This is what differentiates en world from other recruitment firms, and how it stays ahead of the competition.

"To work here, you have to believe in recruitment karma," Naylor added.



Building a relationship with a client is crucial—even if that client must be referred elsewhere—because, one day, that client may come back.

THE CANDIDATES

Coming up with a coherent plan is a large part of being able to find the right job or career. When advising a candidate, en world urges them to update their resume regularly and develop a relationship with a recruiter they can trust.

Clients should not look at recruitment firms as simply resume-forwarding services, as they will not get the best service with this outlook.

"Plan to decide when you want to move, and think about what is the next step in your career that makes sense," said Deol.

To make that next step the right one, Sato stressed the importance of upholding en world's philosophy of "success after joining," which ensures that the candidate can maintain a high standard once they join a company.

Presenting both the positives and negatives to clients is also critical. "Candidates need to know the potential challenges ahead," Sato said.

THE CLIENTS

There are multiple factors for clients to consider when presenting job opportunities to the market. These include the type of industry, confidentiality, and what they want to emphasize. "One thing that clients struggle with is communicating properly to the market," Deol explained.

An issue with communication may arise as companies grow and recruitment functions become more bureaucratic, meaning that processes become less geared toward getting information to market. Specifically, communicating the position, conditions, why it's open, and getting that to the right people in the market is imperative.

INCOMING PRESIDENT

Returning to the company after five years, Deol outlined some of the goals he brings to his new role: "In order to meet those challenges and stay at the top, the company has to change as well. We need to constantly be aware of new challenges and be ready to change to find solutions. I want everybody to have the best career they possibly can."

The demand for recruitment services will continue for the foreseeable future, he said, purely because of Japan's demographic.

And en world Japan aims to maintain its position at the top of the market and continue to improve, providing quality customer service and focusing on teamwork within the company to get the best possible results.



PROTECT YOUR IDEAS

A s the foundation of Japan's economy shifts from manufacturing to knowledge, the need to monetize intellectual property (IP) is growing.

MONETIZING PATENTS

The Harris Firm, an IP law firm that specializes in US patent matters, advises on the options available when monetizing patents.

In Japan, conglomerates dominate industry. As the global economy becomes more complex and intertwined, the ability to monetize their patents is increasingly important.

Ron C. Harris, Jr., principal at The Harris Firm, explained that to do this, it is necessary to "obtain higher-quality patents and, as always, before ideas are disclosed."

In particular, "the ability to innovate and come up with new and nimble businesses is more important," he said.

As Harris explained, what is needed, on the government level and by each business entity, is an approach that allows businesses to quickly enforce patents and obtain injunctive relief and sufficient monetary relief for infringement.

PUSH AND PULL

Looking at the needs of non-practicing entities, the "demand for more robust types of protection becomes apparent," Harris explained.

He broke down the quality of patents into three approaches: a cross-licensing and defensive approach, a monopoly licensing approach, and a pure licensing approach.

Luca Escoffier, project manager at the EU–Japan Centre for Industrial Cooperation, runs the Technology Transfer Helpdesk, which facilitates the contact between universities (originators) and companies.

"There are mainly two ways in the technology transfer world to deal with this kind of operation," Escoffier said. One he describes as a push approach and the other as a pull approach.

Escoffier said that, along with establishing relationships with companies interested in licensing university technologies (the pull approach), they are looking to bring forward a push approach, which looks at "collecting technologies from universities that can then be promoted in a single space, the online portal of the Helpdesk."

CRUCIAL STEPS

Antti Sonninen, CEO of Slush Tokyo, a non-profit movement looking to bring start-ups, students, investors, and media together to take businesses to the next level, Companies that do not take these basic steps . . . will find themselves unable to monetize their patents

highlighted the potential in Japan within the start-up industry. "Ambition is a good start," he began, "but once you have global ambitions, you need a set of practical tools."

Patents, in particular, will ensure that whatever has been created will be protected. This applies to both small and large companies.

"Not protecting what you have invested in makes you vulnerable," Sonninen emphasized.

Harris endorsed the need for start-ups to look for proper non-disclosure agreements when looking for investors and partners. This is crucial when determining the proper defensive measures that need to be taken.

"Just because someone may not disclose your idea doesn't mean they could not invent off of it—and springboard off of it—to formulate their own ideas," he said. If this happens, it is easy for them to form a "picket fence of patents" around you.

Companies that do not take basic steps to protect their ideas will find themselves unable to monetize their patents, whether through obtaining operating capital, selling rights, or enforcing rights. "I would like to see Japan ISELVES increase damages and create

a system of discovery," Harris said. Evidence available during litigation should be

FUTURE IN JAPAN

increased so that it's easier to quantify the damages when a patent is enforced.

Japan must balance its fear of those looking to exploit the patent system with its desire to allow businesses to monetize their patents. The latter is where The Harris Firm provides expertise.

"It's in the interests of every country to allow for fertile fields of start-ups," Harris explained, "because without competition you're not going to get that many advances."

"This is one of the best times to be starting a company in Japan," added Sonninen.

Ultimately, Harris urged companies to perform a "basic audit of their ideas" that could be patented or any trade secrets that could be protected.



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THE LEADERSHIP JAPAN SERIES

Real Freedom

By Dr. Greg Story President, Dale Carnegie Training Japan



Notivational quotes are everywhere, and they remind us of useful things we already know but have forgotten. Two recent messages struck me with their introspective power. Both are by recognized, distinguished thought leaders—one an academic psychologist and philosopher, the other a psychologist and holocaust survivor. Their conclusions are profound and were reached through different experiences and understandings of the human psyche.

William James (1842–1910) taught at Harvard University and has been called "the father of American psychology." He was a leader in the idea that we could control our lives through the power of thought. He said: "The greatest discovery of our generation is that human beings can alter their lives by altering their

attitudes of mind. As you think, so shall you be."

This was a breakthrough notion at that time. The prevailing idea had been that God's will, chance, or luck determined your life.

Victor Frankl (1905–1997), who was a concentration camp inmate, survived the holocaust and subsequently wrote a fascinating book titled *Man's Search for Meaning*. Through his personal experience of horrendous torment, he found that "Everything can be taken from a man... but the last of the human freedoms: to choose one's attitude in any given set of circumstances, to choose one's own way."

MIND OVER MATTER

Given that we have the power to control how we think, why are we so poor at it? We find ourselves replaying the movie in our mind, on a pitiful endless loop, of some past humiliation, insult, degradation, or unfairness. If we can control our thoughts, why can't we hit pause on that movie and stop it from polluting our present?

We don't muck around either, do we? Not only have we unleashed the horrid past, we invite the future apocalypse into our present as well. We imagine all the things that could go horribly wrong. We attack our optimism muscle with thoughts of future doom and gloom, thereby disabling it. We can't seem to turn these thoughts off, either. from divination? How do we do that? Let's use two of Dale Carnegie's stress management principles. Let's live in "day tight" compartments. Think

Real freedom is to recognize that, while we can't

completely turn these ugly musings off, we can neutralize

them. But can we separate worry from reminiscence and

of each day as an airtight container, into which nothing can enter. We need to concentrate on shutting out the worry component, not trying to block the complete recollection or prospect.

We observe our memories, relive the pain, but firmly tell ourselves that was the past: "I am not going to go back to that time ever again." We can see our pain point in our mind's eye, but we don't have to attach ourselves to it or

embrace it, as if a crocodile has gripped us in a death roll.

This is similar to meditation techniques, where you observe your breathing cycle but you don't attach your mind to it—you just note it and let your mind move on.

Our control, and therefore real freedom, is over the amount of worry we ascribe to the memory or the foreboding. Regarding the past, we can decide to cooperate with the inevitable, face the fact it happened, and know we can't change it. Having done so, let's switch our thoughts away from that memory to something much more pleasant or successful. Let's swap our debilitating thought with a much more positive memory.

Regarding the future, we should prepare for it but not attach the worry emotion to it. Let's view it this way: What is the worst that can happen? Having contemplated that prospect, we mentally accept that this is inevitable and will happen. Mentally, we prepare for the worst. Finally, we get our brain working on how we can improve on the worst. We switch from mental incapacitation and paralysis to producing possible solutions and alternatives. We move from negative to positive. We do this by controlling how we think about the issues.

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-Matt Nicholls, Managing Director

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Once the Presence has been installed, download the app to your smartphone or tablet and take control. From the app, you can control the Presence and keep tabs on activity on your property through live streaming video.

In addition to live streaming, you can watch footage of specific events that are within your pre-defined parameters. A list



below the video player provides access to each event in a clean and clear manner. Tap the event, such as an animal entering your property, to watch the full footage of that activity. Rotating the phone provides full-screen playback, and you can easily skim through footage.

HD ANYWHERE

The Presence features a full-HD camera that records video onto a microSD card. Video can also be synced to your Dropbox account or private FTP network, and bank-level end-to-end encryption is used for the highest level of protection.

One interesting feature is the ability to record discreetly at night using infrared, particularly useful when monitoring animals that would be scared away by a floodlight. However, if you wish to record brightly lit full-color video at night, the floodlight can be turned on manually with a simple toggle in the app, or set to switch on when motion is detected.

ALERTS

Any time an event meets your predefined parameters, you can receive a notification on your smartphone. To help control the frequency of messages, you can decide which events you would like to know about. For example, if you are only concerned about people entering your property, and don't need to know when animals come or go, you can choose not to be notified when animals enter the area.

Alert Zones is another feature that lets you fine tune detection and notifications.



Using the smartphone app, you can draw a box within a scene to limit the area that triggers the Presence. If the camera's field of view includes your driveway, deck, the street, and neighbor's driveway, for example, and you only want to know if someone tries to enter your car, you can limit the Alert Zone to just the car.

NO HIDDEN COSTS

Unlike some other security cameras, no subscription service is required to store and review footage. The Netatmo Presence comes with an 8GB microSD card in the box—enough capacity to store about three hours of HD video—and supports cards up to 32GB. Syncing to your Dropbox or private FTP network can be done at no additional cost, and Netatmo never has access to your data.

The Netatmo Presence represents the next step in connectivity that puts you in control of your home and property—without you needing to be there. The sense of security and peace of mind that it provides is priceless, and it's fun to use to boot.







- ACCJ Executive Director Laura Younger presents Erik Olson-Kikuchi with the 2016 Volunteer of the Year Award at the Chubu 2017 Shinnenkai, held at Hilton Nagoya on January 26.
- 2 Representatives from Nagoya's international schools discuss English education at the ACCJ-Chubu LEARN Seminar on February 12 at International Design Centre Nagoya (page 51).
- 3 Guests enjoy the stories of Iconic Images CEO and Creative Director Robin Morgan at the ACCJ Alternative Investment Subcommittee's event "An Evening with David Bowie: Passion Investing in Fine Photographs" on February 9 at the Axis Gallery Symposia in Roppongi (page 46).

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Tokyo 2020: A Metaphor for Change



FROM THE BOARD

By Jonathan Kushner, vice president ACCJ–Tokyo

t has been more than three years since Tokyo won the right to host the 2020 Olympic and Paralympic Games, and there are about three years left before that momentous event. Halfway through the preparations, now is a good time to take stock: What is the American Chamber of Commerce in Japan (ACCJ) doing to help make the Games a success? Will Japan be ready?

The ACCJ established the Olympics and Sports Business Committee with the objective of collaborating with the Tokyo Organising Committee of the Olympic and Paralympic Games, national and local governments, the International Olympic Committee (IOC), sponsors, and other related parties to make the Games a success. This involves sharing experiences and lessons learned from our members: information on design, preparation, and implementation, gleaned from supporting previous Olympic Games and international and world championship sporting events. We are coordinating activities and

hosting events to support preparations, and providing information on possible business and volunteering opportunities for members.

We have hosted speakers including the Tokyo 2020 spokeswoman Hikariko Ono and IOC Vice President John Coates and learned from sports marketing experts how sponsors and non-sponsors can engage and associate their brands with athletes, sporting competitions, and the Games without running afoul of the rules. Also, with the Japanese Paralympic Committee, we are discussing the requirements of the Paralympics and how they can accelerate diversity.

Expectations for 2020 are lofty, and interest from government, business, and the public is great. Following the 2016 Rio Olympic and Paralympic Games, and the surprise appearance of Prime Minister Abe dressed as Super Mario at the concluding ceremony, the world's attention has now turned to Tokyo. The number and value of sponsorships already concluded for 2020 is unprecedented, indicating robust corporate interest. Tokyo 2020 has also faced challenges, including controversies over expanding budgets, venues, and a logo that was redesigned after allegations of plagiarism.

The most recent blemish concerns the Olympic golf venue. The private club north of Tokyo does not allow women to be full members. Officials, including Governor Yuriko Koike and Tokyo 2020 Chairman Yoshiro Mori, have questioned the suitability of the venue, and it has now come to light that the membership policy was not disclosed to the IOC in Tokyo's bid.

Three years on and three years to go. From a technical perspective, Japan should be ready, but Tokyo 2020 is not just an international sporting event. As a metaphor for the broader reform and societal change required to propel Japan into a leadership position in the 21st century, there is still far to go. I am hopeful that we are headed in the right direction and that the ACCJ can play a role in helping Japan get there.



THIS MONTH'S FEATURED VIDEO:

THE CASE FOR ALTERNATIVE INVESTMENTS

The hedge fund space is at an interesting crossroads. What is the case for alternative investments? Find out in this presentation by William ("Bill") Kelly, CEO of Chartered Alternative Investment Analyst (CAIA) Association.

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- From left: ACCJ Governor-Chubu Michel Weenick; Vice President-Chubu Ray Proper; President Christopher J. LaFleur; and Executive Director Laura Younger at the Chubu 2017 Shinnenkai, at Hilton Nagoya on January 26.
- 2 ACCJ-Chubu 2017 Leaders with ACCJ President Christopher J. LaFleur and Executive Director Laura Younger at the Chubu 2017 Shinnenkai.
- 3 Ee Fai Kam, Head of Asian Data & Research Data Centre, Preqin, presents at "The Second Alternative Assets Overview—A Global Report by Preqin" held at Tokyo American Club on February 14.
- 4 From left: Alice Bonamy of Takara Shuzo Co., Ltd.; ACCJ Communications and Operations Coordinator Seiya Watanabe; and Yoshiyuki Hirao, senior manager, Public Relations Section, Environment & Public Relations Department, Takara Shuzo Co., Ltd. at the joint ACCJ Information, Communications and Technology Committee / Armed Forces Communications and Electronics Association Shinnenkai held in Tokyo on January 27.
- 5 From left: William Pieschel, Manager, PwC; Marcus Wong, Partner, PwC; and Ryann Thomas, ACCJ Governor–Tokyo at the 2016 Japan Individual Tax Overview event held at Tokyo American Club on February 16.
- 6 Bob Noddin, president and CEO, AIG Japan Holdings K.K., made a toast for another successful year in 2017 at the ACCJ–Kansai New Year's Party on January 31 at ANA Crowne Plaza Osaka.
- 7 Members and guests had many opportunities to meet new acquaintances and catch up with familiar faces at the ACCJ-Kansai 2017 New Year's Party on January 31.















UPCOMING EVENTS

Please visit www.accj.or.jp for a complete list of upcoming ACCJ events or check our weekly e-newsletter, *The ACCJ Insider*.

• MARCH 9

Travel and the Airline Industry in Uncertain Times

- MARCH 17 Kansai Bella Nova Night #13 (Women's Networking Event)
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in linkedin.com/company/ american-chamber-of-commerce-in-japan

Truly Alternative

Passion investing in fine photos

By Maxine Cheyney

hen you think of alternative investment, photographs may not come to mind. But on February 9, at the ACCJ Alternative Investment Subcommittee's event "An Evening with David Bowie: Passion Investing in Fine Photographs," CEO and Creative Director of Iconic Images Robin Morgan, an award-winning British journalist and editor-in-chief of London's The Sunday Times Magazine (1991-2000), made the case. As members of the American Chamber of Commerce in Japan (ACCJ) gathered at the Axis Gallery Symposia in Roppongi, Morgan spoke about his appetite for photography, the business itself, and the road ahead for this form of alternative investment.

"Every picture tells a story," Morgan said as he described how Iconic Images took root. "I love telling stories, and photographs do that. Why don't we invest in iconic photography, acquire that which we think is culturally important [and] has a historic significance."

The business model he said, is very simple: "A negative is like a hit song," in that every time that song is repurposed or sold there is capital gain. Rolling off the impressive list of archives that Iconic Images owns including those of photographers Terry O'Neill and Baron Wolman— Morgan explained that these photographs can be printed, exhibited all over the world, and reproduced on shirts, in books, or in newspapers.

"Wherever we look, there is a business stream, there is a revenue stream."

THE BUSINESS

Morgan stressed the necessity of respecting the artist. "I've always taken the view that, if we go to work with a photographer, dead or alive, it is important to be inclusive and respectful."

Trust is crucial: "Photographers are generally very suspicious people, they think everyone is trying to rip them off."

"You need a reputation in the business, and we concentrate very hard on ensuring that reputation," he said, emphasizing the need to appreciate the photographers, and support them with the company's business.

Morgan hopes to continue working with galleries in Japan, and with





different photographers, as they push back into historic archives.

Opportunities for individual investors, he explained, will continue to rise.

"Photography has gone from 0 to 4 percent of the art market globally in the past 10 years, [and] it's going to hit 5 percent this year."

Much of the growth is driven by a burgeoning real estate market, with new buildings that have walls that need to be covered. When choosing art that will fill that empty space, it's crucial to find something with an emotional tug, Morgan said. "It's the story that sells them, not just the emotional connection."

He suggested this is one reason the David Bowie collection has been so popular.

"So many people think that Bowie changed their lives, and they bought his music; but when he died, they bought his prints."

Wherever we look, there is a business stream, there is a revenue stream.

(From left) Iconic Images CEO and Creative Director Robin Morgan, ACCJ Alternative Investments Subcommittee Co-Chair Frank Packard, and Iconic Images Managing Director, Asia, Campbell Gunn.



So many people think that Bowie changed their lives . . . when he died, they bought his prints.



The trajectory in prices for these investments is the main pull.

Morgan explained that, in terms of competition, there was little or nothing in the same type of business as them. "The major competition in the marketplace for photographers in the past were Getty and Corbis, but they were really only in the download business."

That business model, he said, has become Kmart for photographers, a completely different business from Iconic Images. Rather than going for quantity and low prices, Iconic Images focuses on quality and cultural value.

PROTECTING RIGHTS

Another revenue stream, he said, is copyright infringement. "All around the world, there are people stealing our copyright, so we have to police it very carefully." In one case, a well-known hotel stole one of their photographs.

Copyright laws, of course, vary depending on the jurisdiction, and ultimately the artist has the final say on rights.

Maintaining a responsible and trustworthy relationship is a core focus of Iconic Images. "We went to the artists themselves," Morgan explained, "and we just simply formed joint ventures with them."

In particular, he expressed his gratitude for their relationship with David Bowie, who approved nearly all of what they asked him to do. This relationship has continued beyond his death, and they are now working with the Bowie estate and hold images that cover his life from the age of 16 to 66.

"If they really want to do anything with licensing the Bowie name that involves images, they have to come to us anyway." To protect these images, "everything we do is digitally scanned ,and in a digital scan is a pixel that is a coded message," Morgan explained, adding that "the pixel itself is the signature."

These images cannot be reproduced endlessly, he stressed, and generally are printed in an edition of 50, in three sizes, and are all signed, numbered, and certificated by the artists and Iconic Images.

INVESTING AHEAD

To build a sustainable business, he stressed the need for everything to be digital.

"We knew we could sell fine art photographs, and we could use that cash flow to grow the business," Morgan said. "Equally important . . . is using that cash flow to digitize everything."

To support this need, he referenced the September 11, 2001, attacks on the United States. When the twin towers of the World Trade Center came down, multiple archives stored in the basement were lost. And selling the digital archive is the key to their exit strategy, should they need one. Morgan's career in the media industry means he has no problem "building the PR story" when they have exhibitions or are releasing books and other merchandise. In particular, he said, "limited edition books that we do are a very lucrative revenue stream, it's a growing market."

Speaking about the appeal of fine photographs, he said it is young people who are intrigued and knowledgeable about many of the artists in the photographs and that "the Internet has democratized culture," meaning art is more accessible to everyone.

This will ultimately continue to help the value of this form of alternative investment to grow and open new revenue streams.

For Iconic Images, that next growth spurt will come in April, when they launch a website with 42,000 contact sheets sure to spark interest within the creative community.

Those interested in purchasing David Bowie prints can visit **blitz-gallery.com**

Maxine Cheyney is a staff writer at *The Journal*.



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Innovative Stability

The FSA takes a forward-looking supervisory approach

robust financial system is an essential part of a healthy economy. As Japan's comprehensive financial regulator, the Financial Services Agency (FSA) plays a critical role in shaping and supporting sustained economic growth, ensuring stability, and addressing a shrinking and aging population in a way that is consistent with the government's growth strategy initiatives.

At the same time, the FSA must balance growth measures with prudent regulation and lessons learned from the 2008 global financial crisis. In today's interconnected and occasionally volatile global financial market, the mission of the FSA has rarely, if ever, been more complex or vital.

Against this backdrop, the American Chamber of Commerce in Japan (ACCJ) was pleased to welcome Toshihide Endo, director-general of the FSA's Supervisory Bureau, to speak at a special luncheon on February 2. Under Endo's leadership, the Supervisory Bureau is responsible for monitoring the soundness of business operations at financial institutions, including banks, securities companies, and insurance companies.

Endo shared his vision and priorities for the agency, and described how the FSA secures financial stability and consumer protections in Japan. He also outlined the FSA's international efforts to highlight the need for regulators to support the financial sector's vital role in contributing to economic growth. The FSA's approach has evolved over the years.

In 2012, the FSA announced four pillars for "Better Regulation," which sought an optimal combination of rules-based and principles-based regulatory measures. Specifically, the FSA encouraged prompt and effective responses to high-



priority issues, voluntary efforts by financial institutions, and enhanced transparency and predictability of regulatory actions.

In 2015, the FSA further adjusted its regulatory approach, as highlighted by the publication of *Strategic Directions and Priorities*. Through this policy document, the FSA identified three key strategic priorities essential to its mission success. Specifically, the agency aims to reform itself and its approaches, transform the flow of funds and help the accumulation of household assets, and support financial institutions in changing their business models and creating shared value with their customers.

Building on a review of its initial Strategic Directions and Priorities, the FSA has also begun the process of benchmarking its progress and is implementing measures to continuously improve and enhance the quality of its regulation and supervision.

Key among the FSA's priorities is the "creation of shared value." Endo described this concept as a virtuous cycle in which financial institutions provide high-quality financial services for the best interests of customers. This customer emphasis bolsters corporate productivity and enhances the household sector's ability to realize steady asset accumulation, which in turn will broaden the corporate customer base and lead to increased revenue flows.

To foster a positive environment, the FSA is initiating in-depth dialogues with the senior management of financial institutions. The discussions focus on governance, performance goals and evaluation, and loan screening systems, among other issues. With the help of a newly introduced set of benchmark indicators, the FSA will continue working to promote financial stability and consumer protection while supporting economic growth.

Endo's remarks highlighted the FSA's innovative thinking about supporting sustained economic growth, ensuring stability, and addressing a shrinking and aging population. Dialogue with stakeholders in the financial services industry, including ACCJ members in attendance at the luncheon, can help the FSA put that thinking into action and provide momentum for the virtuous cycle of shared value.



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The LEARN Seminar

Nagoya's growth brings new education options

By Carter Witt

alk to anyone living in or around Nagoya and you will find that they can feel the city's foreign population growing. While this growth is partly due to more foreign manufacturers relocating workers to the city, in general Nagoya is becoming a more desirable place to live. Better transportation, an increasingly active cultural life, and more modern shopping and dining options are available than just a few years ago.

With the influx of new residents comes greater demand for education options involving English, as well as an interest in more globally minded curricula and teaching methods.

The community has responded, and a growing number of schools offer international education in English. While this primarily involves preschools and kindergartens at present, there are now more elementary schools offering education in English. A limited number of middle schools and high schools are also doing so. Some of those currently focused only on elementary learning hope to grow into fully functional K–12 institutions.

The LEARN Seminar, held by the Chubu chapter of the American Chamber of Commerce in Japan (ACCJ) on February 12 at the International Design Centre Nagoya,



Representatives from Nagoya's international schools discuss English education.

brought together seven of the most active educational institutions offering international programs. It was a very positive event, and the dialogue was helpful and constructive. It was good to see the educational community in Nagoya come together and collaborate.

Parents and educators swapped valuable information, and the Nagoya International School gave a particularly instructive presentation about their International Baccalaureate program and the consequences of entering your child on a path of global education. Some of their students are now being accepted at an impressive list of foreign and Japanese universities.

While an international school may not be the right fit for every child, it was interesting to learn about the options available to those of us who live and work in Nagoya. We hope to follow up on the event next year with a more in-depth seminar, including information about navigating the Japanese education system, as well as identifying resources for children who have special needs.

Carter Witt is chairman of the ACCJ-Chubu Membership Committee



Watch the first two sessions from the LEARN Seminar:

SESSION 1: Preschool and Kindergarten **SESSION 2**: Grade School to High School

www.facebook.com/nagoyabuzz/videos

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Brand You Tips for marketing yourself

work for a marketing company, so it's fair to say that I'm in marketing. The promotion and sale of consumer products is an exciting line of work but, when you think about it, in a sense we're all in marketing. Or perhaps more accurately, we all do marketing. From our clothing to our grooming to what we share or "like" on social media, our choices are all parts of how we present ourselves to the world. These all send clues to others as to who we are, or how we hope to be perceived. This is marketing of ourselves, and it happens whether or not we make a conscious effort to control it.

As many of you reading this can attest, the American Chamber of Commerce in Japan (ACCJ) provides many opportunities to market ourselves and our organizations at a variety of events. Clearly, networking events are organized for the explicit purpose of putting ourselves out there and expanding our circle of acquaintances and friends. But in an era when many people interact with others more through Facebook than face to face, I want to take this opportunity to share with you an experience I had a few months ago. It reminded me of the importance of personal marketing in the "real" world.

This past December, there was a contingent of Asian Americans who were all elected officials from the United States. The ACCJ hosted a breakfast meeting at the Tokyo boardroom, and several ACCJ members were on hand to share their ideas and experience with these officials. Naturally we introduced ourselves. Delegate Aruna Miller, a member of the Maryland General Assembly, had a memorable



By Deryk X. Langlais, director at Oak Lawn Marketing (Shop Japan) and vice chair of the Living in Chubu Committee

marketing technique; she had colorful enameled lapel pins attached to the business cards she was handing out. To show my appreciation (and, to be honest, to be able to fit the card into my *meishi* case), I took the pin out and put it through the button hole of my coat right away.

Later in the day, after eating lunch, I was out for a walk and heard a very animated voice on a distant loudspeaker. My interest piqued, I started heading toward the sound. After a few turns and heading down toward the Ministry of Foreign Affairs of Japan in Kasumigaseki, I realized the source of the sound was of the black uyoku (right wing group) buses parked in the street. It was then that I remembered that December 8 (in Japan) is the anniversary of the Japanese attack on Pearl Harbor. I suppose that the phalanx of police around the bus emboldened me, so I decided to walk closer to the angry sounds coming from the bus.

Stopped by the red light at the crosswalk, I turned to the man next to me (who I quickly made judgements about, based on how he was marketing himself in his suit and tie), and said, "Well THAT guy sure seems angry!" This Japanese gentleman smiled and replied, "Yeah! I'LL say!" Noticing the pin in my lapel, he asked if I had something to do with Maryland. I explained that I didn't, but had met a Maryland official at an ACCJ breakfast event a few hours previously. This really broke the ice, as it turned out my new pal had been to a few ACCJ events. The light changed and we continued our conversation as we crossed the road. Once safely on the other side of the road, we exchanged cards and learned that we have a mutual friend from his days at NTT DoCoMo (he's now with a think tank). We agreed to get the three of us together for dinner. I had made a new and very interesting contact in under three minutes, and I owe it all to personal marketing.

Are you marketing yourself effectively? Are you active in the ACCJ and taking full advantage of the many opportunities to educate yourself and expand your network? While striking up conversations with strangers on the street may not be the best approach for everyone, I would certainly encourage everyone to make an effort to be outgoing, market themselves, and get to know some of their fellow human beings.

Marketing of ourselves . . . whether or not we make a conscious effort to control it.



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Information as of February 20, 2017

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