

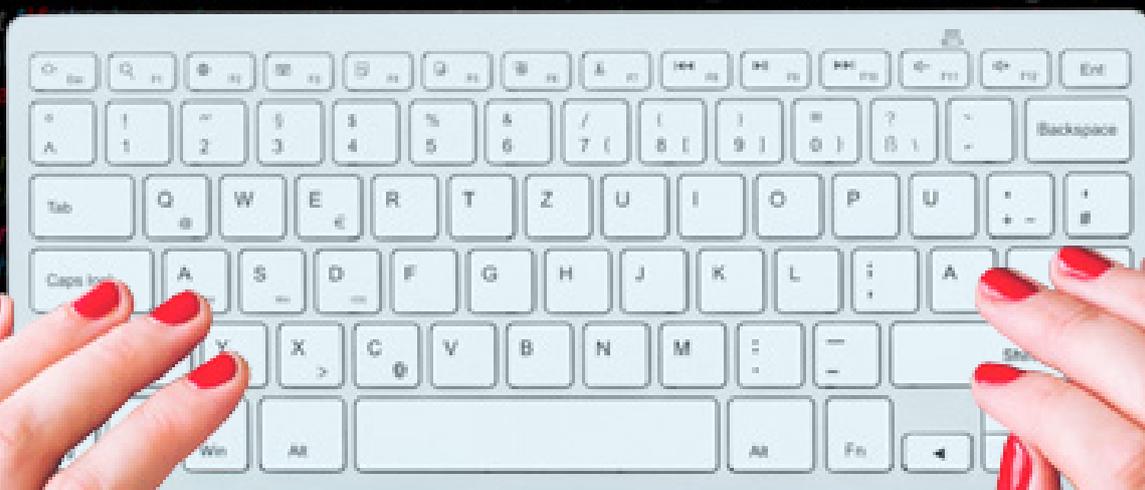
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# THE GENDER CQDE

Will women program the future?



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## COVER PHOTO

Education program  
encourage women to code

IMAGE: KABOOMPICS/PIXABAY;  
IUNEWIND/123RF

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## THIS PAGE

Artificial intelligence moves  
into the boardroom

IMAGE: NOMADSOU/123RF

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## MAXINE CHEYNEY



## The Gender Code

page 8

**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, journalist and cancer survivor 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 reading?***A God in Ruins* by Kate Atkinson**One surprising thing people may not know about you?** I enjoy combat sports, especially when I'm put in a difficult position and I have to fight my way out.

## ALANA BONZI



## Shine On Shonan

page 16

**Hometown:** Canada and Trinidad**Languages:** English, French, Japanese, Spanish**Years in Japan:** Twenty one**Most memorable interview:**

Deva Hirsch, founder of community service organization Hands On Tokyo

**One change you would like to see in Japan by 2020?** More inclusion of the experiences and expertise of foreign residents.**Thoughts on the importance of print journalism and its future?**

I'm a paper person and believe there is a sense of permanence with paper and an engagement of all senses as well as the imagination.

**What are you currently working on?**

The Cacao Collective Project to bring cacao beans from my home country to craft chocolate makers in Japan.

**One thing you can't let go of?**

We have four homes, so lately the concept of home and trying to define what that means.

## C BRYAN JONES



## The Missing Link

page 20

**Hometown:** Birmingham, Alabama**Languages:** English, Japanese, Russian**Years in Japan:** Twenty**Years in journalism:** Eighteen**Most memorable interview:**

Astronomer Seth Shostak

**One change you would like to see in Japan by 2020?** Greater acceptance of diversity in gender and ethnicity.**Thoughts on the importance of print journalism and its future?**

More important than the delivery medium is the journalistic process, something often lacking online. This aspect of print journalism will always remain critical in a world where anyone can publish.

**What is one surprising thing that people may not know about you?**

I am a classically trained bass trombonist and played professionally for seven years. I have performed with many famous artists including Yo-Yo Ma and Emanuel Ax.



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**Publisher**Simon Farrell  
simon@custom-media.com**President**

Robert Heldt

**Editor-in-Chief**

Christopher Bryan Jones

**Studio Manager**

Paul Leonard

**Graphic Designers**Michael Pfeffer  
Ximena Criales**Staff Writer**

Maxine Cheyney

**Head of Project Management**

Megumi Okazaki

**Advertising Sales Director**

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**Account Managers**Andrew Williams  
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**Business Development**Adrien Caron  
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Ayako Nakamura**Media Coordinator**

Kiyoko Morita

**To advertise or subscribe:**

accj@custom-media.com

**Editorial:**

editor@custom-media.com

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2-3-3 Azabudai, Minato-ku,  
Tokyo 106-0041

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# MORTAL ASSETS



Christopher Bryan Jones  
chris@custom-media.com

Our July issue of *The Journal* focuses on people. From education and career skills to the role staff play in corporate affairs and security, we visit the classroom, boardroom, and meeting room.

## THE GENDER CODE

It's well known that Japan is experiencing a shortage of workers. But it may come as a surprise that programming is a key area of drought. Fortunately, there is an untapped demographic that could flip the bit and put Japan in prime position to compete globally: women. On page 8, we talk to a director of the not-for-profit Women Who Code Tokyo, a co-founder of start-up Code Chrysalis, and the principal at Fusion Systems about the role of women in programming.

## NEXT GENERATION

It's never too early to start developing skills for a future driven by technology. Some, such as serial entrepreneur Emi Takemura, feel that current approaches to education have not evolved to meet the needs of our rapidly changing world. On page 12, we find out what she's doing to champion science, technology, engineering, arts, and mathematics education and to promote new methods for preparing children for 21st-century careers.

## SAFETY FIRST

The recent WannaCry ransomware attack opened eyes around the world to how vulnerable modern society is to criminal hackers. Companies and crucial services in 150 countries were disrupted in less than 24 hours in an indiscriminate attack. Although the first reaction might be to increase hardware and software security, addressing the human component is an important step in guarding against threats. On page 20, we talk to four experts in the field of cybersecurity about how companies can educate staff on security.

## HYBRID AFFAIRS

The Tokyo Metropolitan Government aims to draw more foreign companies to the city, but how will those businesses adapt their operations to the local culture? Japanese and Western approaches to staff differ, and simply transplanting what works elsewhere isn't enough. Likewise, Japanese companies are taking cues from their Western counterparts as local corporate culture evolves. On page 24, we talk to McDonald's Company (Japan), Ltd. and Mizuho Financial Group, Inc. to find out how they create the perfect blend.

There's much more in this issue, including warm greetings from the Embassy of the United States, Tokyo to celebrate US independence. And don't forget to turn to page 39 for the latest from the American Chamber of Commerce in Japan's 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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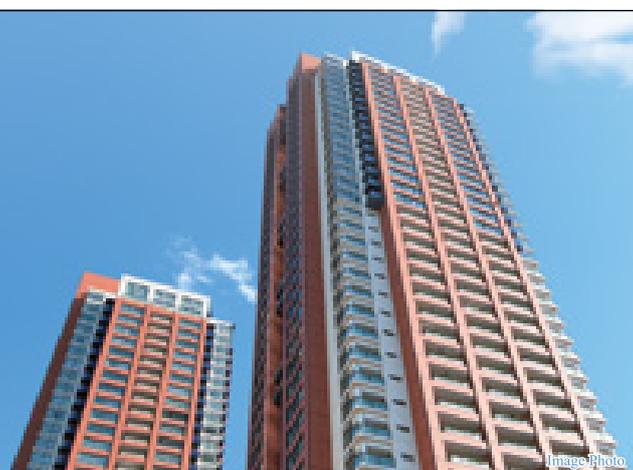


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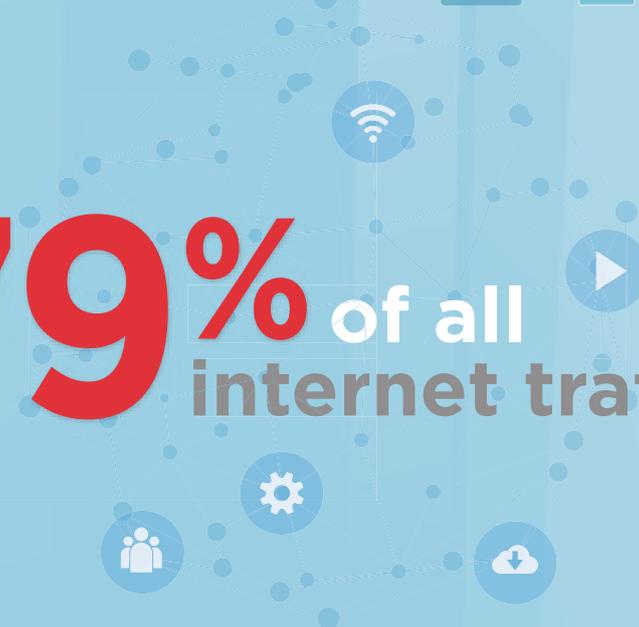


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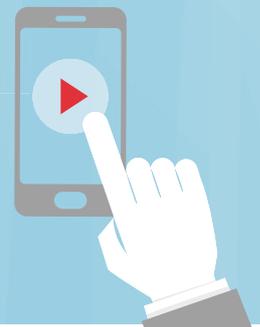


**79%** of all internet traffic



valued by executives

**65%** visit a vendor after viewing



Sources: Forrester Research; Nielsen; Forbes; Tubular Insights; Comscore; Cisco; YouTube

- Interviews
- Events
- Reports
- Podcasts

## The Power of Video

Video has never been as powerful and important in business as it is today. Making up about 80% of Internet traffic, video will increase the chances of your company's content reaching and impressing a wide, varied and influential audience.

# TRENDING

**IN THE NEWS**  
Tweets from media outlets

**FROM JAPAN**  
Tweets in Japanese from people and media

**#TOP HASHTAGS**  
This month: Popular tags from the top 30 list

**LINKEDIN**  
Discussions from global leaders



PHOTO: POGONICI / 123RF

## Bloomberg Businessweek

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Mnuchin says global financial institutions need to tighten their belts

<https://bloom.bg/2scx8bG>

## JT

@japantimes

Bandai Namco to open virtual reality arcades in Japan and overseas

<http://jtim.es/o2UX30cxXvm>



IMAGE: OWN23 / 123RF

## JAPANTODAY

@japantoday

Record 35,000 foreign students need Japanese language training

<http://dlvr.it/PM4PWw>



PHOTO: PAYLESSIMAGES / 123RF

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- The Governor of Osaka, promoting his plan for the 2025 World Expo\*

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- ウーバー世界で広がる包囲網 日本は蚊帳の外
- Uber spreading its network around the world, Japan being left behind\*

\* Translation of original content in Japanese



IMAGE: PEDRO SZEKELY [CC BY-SA 2.0] VIA FLICKR

Nicholas Wyman, **influencer**

CEO of the Institute for Workplace Skills and Innovation / LinkedIn Education Writer of the Year

### VOCATIONAL EDUCATION IS SMARTER THAN YOU THINK

In today's world of work, where the pace of technology demands the ability to rapidly and flexibly upgrade one's skills, the hands-on nature of apprenticeship has never been more relevant, or more necessary.



IMAGE: LIGHTWISE / 123RF STOCK PHOTO

You may not immediately associate computer science or engineering with women. But as far back as 1815, women were pioneers of technology. The world's first computer programmer, by many accounts, was London-born Ada Lovelace, who created the first algorithm performed by Charles Babbage's mechanical computer.

Despite this, men have since dominated computer programming—a fact that is clearer in Japan than perhaps anywhere.

Japanese society is in the throes of aging, bringing with it a candidate-short job market. The country is facing a shortage of software engineers—a resource critical to future competitiveness—but there is a largely untapped group whose expertise could close the gap: women.

*The Journal* spoke with three industry leaders—Chiaki Narusawa, director of not-for-profit organization (NPO)

Women Who Code Tokyo, Yan Fan, co-founder of start-up Code Chrysalis, and Reimi Dallyn, principal at Fusion Systems—about the role of women in programming.



# THE GENDER CQ<sub>♀</sub>DE

Will women program the future?

By Maxine Cheyney





Aspiring coders gather at a Code Chrysalis class in Tokyo.

## THE SITUATION

Companies in Japan are beginning to look abroad for talent. In March, the *Nikkei Asian Review* reported that Japanese and Vietnamese technology outsourcing companies are working together to send software engineers to Japan.

What is it about software engineering—a male-dominated sector in Japan—that women find unattractive? Women Who Code's Narusawa believes, "It is a field viewed as less glamorous and rewarding as opposed to higher-paying fields such as finance and healthcare."

In Japan, this lack of glamor can be attributed to the nature of the domestic industry—it's a far-cry from Silicon Valley's trendy start-up environment. Instead, most software engineers are working in manufacturing, writing code to operate machinery.

Code Chrysalis is one such Silicon Valley start-up that has made its way across the Pacific, bringing with it what they describe as an advanced coding boot camp—the first of which begins on July 3. More women than men have signed up for the program.

"I think we are proving the naysayers wrong. I think there are a lot of women who are really interested in learning how to code, and maybe they don't go to the regular events because they are intimidated and shy."

Women Who Code Tokyo aims to change that. "We provide a welcoming environment where women have access to resources to further advance their tech career, and to connect and build networks with other women in tech," Narusawa explained.

The organization offers sessions free of charge to women of any level or technical knowledge.

Companies must find a way to help more women unleash their coding talent.

Artificial intelligence (AI) could boost productivity

34% by 2035

SOURCE: ACCENTURE



## LEARNING

The pressing need for development in the software industry is clear. The Fourth Industrial Revolution, a term coined at the World Economic Forum 2017, is being driven by advanced technology. Labor shortages in Japan could leave the country on the sidelines in this next evolution of society. Increased education in programming is needed for both men and women, but companies must find a way to help more women unleash their coding talent.

"In Japan, the first two years of university education tend to be spent studying general knowledge rather than specialized hands-on subjects," Fusion Systems' Dallyn explained. Comparing the candidates that they hire locally and abroad, she finds a huge gap in knowledge and skills. "If they do have the right level, they will often go abroad," she said.

Dallyn noted that one problem Fusion Systems encounters when hiring is skill level—often Japanese developers "don't pass the technical interviews." And, most applicants are male. The goal of schools such as Code Chrysalis and NPOs such as Women Who Code Tokyo is to fill this gap in knowledge and create gender balance.

Fan said many arrive at their workshops as beginners, but show great potential to learn quickly. "We do have a handful that are already working as software developers, and they want to improve. Most of them are beginners, a lot of designers, people working in tech, and a lot of systems engineers."

However, as Fan explained, the way people are taught at university in Japan could be an issue.

"People here want to be given instructions," she said. "As a school—in our curriculum and the way that we teach—we do give instructions, but a lot of it relies on people to make a creative decision."

A large part of this means making mistakes, something Japanese society is notoriously fearful of in contrast with the

Japan's forecasted working-age population is set to

decline 0.73%

by 2030

SOURCE: ACCENTURE





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United States where, she explained, people are taught from a young age that failure is okay.

It's no secret that the key to growing the number of software engineers in Japan is education, both at a higher level and at earlier stages. In addition, tackling gender norms is also necessary.

"It's evident that men are more likely than women to major in computer science and engineering, which typically lead to higher-paying careers," Narusawa said. "Early education is vital to eliminate the societal norms of engineering as a male-dominant field."

This means viewing programming as being as basic as literacy for younger learners. Dallyn believes it is a skill that also helps with logical thinking.

## GLOBAL LANGUAGE

A higher-level of English is needed to take Japanese businesses abroad, but such language proficiency remains an issue in the coding field, despite mandatory English education in Japanese public schools and an abundance of conversation schools in Tokyo.

Code Chrysalis also looks to encourage learners to learn to code in English, which can initially be a challenge.

"Japanese people tend to translate it back to Japanese and then try to digest it," Dallyn explained. "But the more important thing—when you're learning the language of programming—is to just learn it in English because you don't have time to translate back into Japanese."

Narusawa agreed that the lack of effective English education is contributing to the shortage of software engineers in Japan. This puts limitations on resources and what can be communicated outside Japan.

From a wider perspective, Dallyn highlighted that it's not just the programming or coding sectors, but other positions in the information technology (IT) industry in which women need to be more involved in. "It's such a stereotypical image that IT is not for women, but there are so many parts to the industry."

Having positive role models is another necessity, and building a community for women to rely on is crucial. Narusawa explained that girls grow up with a negative view of the technology industry as being "geeky and antisocial." Changing this view is essential.



A hands-on event at the Embassy of the United States, Tokyo, in 2015.

In Japan, another persistent problem is encouraging women to reenter the workforce and retrain after having children.

"It's important not to quit, because it becomes more daunting, and the world changes all the time," Dallyn said. This is particularly true in the digital world. Having the coding or programming skills to work in this expanding sector should be a priority for any young woman in Japan looking for job options in the Fourth Industrial Revolution.

According to a report by Accenture, artificial intelligence (AI) could boost productivity by 34 percent by 2035. Japan's forecast working-age population is set to decline by 0.73 percent between 2016 and 2030, an acceleration from the period between 2000 and 2015, which saw a decline of 0.69 percent. Help is much needed from technology to dampen the impact of a diminishing workforce. In terms of gross value added, AI has the potential to more than double annual economic growth in Japan, from 0.8 percent to 2.7 percent by 2035.

Narusawa acknowledged that business must also do its part. "Companies are slowly acknowledging that employing and promoting women to this field can be a great tactic to bring more talent and promising people into this ever-growing industry."

In a country with a mature technology industry, where the need for software engineers continues to rise, women have a bright future and will play a critical role in Japan's 21st-century success. Educational institutions must ensure that potential software engineers are adequately prepared to compete on a global stage, and that more girls and young women choose this career path. ■

Aspiring coders at a Unity Technologies VR event held in collaboration with Geek Girls Carrots Tokyo in November 2016.



# WOMEN: Full STEAM Ahead

Emi Takemura takes on  
gender bias in education

By John Amari



“When I started work, I had a great respect for women in traditional companies in Japan. If you look at the conversion rates—for women who managed to get full-time positions in the workplace—they have been pretty low,” serial entrepreneur Emi Takemura told *The Journal*.

This is the reality in Japan despite the nation’s 1985 Equal Employment Opportunity Law (EEO), which was intended to level the playing field between genders in employment, recruitment, job assignment, and promotion.

Despite the EEO, “a lot of companies didn’t know how to utilize women, so many of them left the workplace. Of the people I know who worked for Japanese commercial banks after graduation, for example, none are still working in the industry, despite graduating from top universities.”

Takemura is a graduate of Keio University and the Wharton School of the University of Pennsylvania, and is co-founder of Peatix Inc., a global event registration, management, and ticketing platform. She is a much-sought-after consultant and mentor who works with government, business, and the start-up ecosystem in the Asia-Pacific region.

In her myriad roles, she advocates for the advancement of women in science, technology, engineering, arts, and mathematics—more commonly known as STEAM fields—and promotes new methods for preparing children for 21st-century careers.

Originally from Osaka, but with experience building businesses in the United States, Japan, and Southeast Asia, Takemura speaks candidly to *The Journal* about her career and desire to pass the lessons she has learned as a global executive to the next generation.

I would like to stay in education for a while, especially working with girls in STEAM in Japan.



Takemura speaks about STEAM education for girls at TEDxRoppongi in September 2016.

### HIGH ACHIEVER

Recalling her early forays into the Japanese workforce in the late 1990s, Takemura says Japan's corporate culture was simply not conducive for most ambitious, internationally minded women.

"If a company asks a woman to move to a branch in Kansai from the one in Tokyo, the expectation is that she will not leave her family; it is the man that is expected to relocate, not the woman," she remembers from personal experience.

On another occasion, she recalls a male interviewer asking her questions in a manner that simply left her feeling undervalued, if not positively unwelcome.

Such subtle, structural biases mean women have been more likely than men to remain on the lower rungs of the career ladder, assuming they are allowed on at all. Some drop out of the workplace entirely.

"I hope this is changing but, traditionally, there were a lot of structural problems—be it working hours or issues concerning relocations or job roles, where managers didn't know how to utilize women."

The lack of a clear path for career advancement was a factor in her decision to invest in skills—such as business administration within a global company—that allowed her to tailor her career to her goals: working in an international environment and following her passion for building businesses.

### GLOBAL AMBITION

From a young age, Takemura wanted to experience life outside Japan, far away from a sheltered upbringing in Osaka. This ambition, in part, owes to the tales of adventure and the presents her father brought back from business trips abroad.

"My dad was a gateway for me. As a doctor attending international conferences, he always brought back memorabilia from Italy, Egypt, or wherever, and talked about them so excitedly."

That said, it came as a surprise to her family when, as a junior at Keio University, Takemura took a year off to study in the United States. That decision had profound impact on her future career choices. While living in Seattle, Takemura landed an internship with a construction company.

"That was a game-changer for me. While I didn't speak a word of English initially, after about nine months, I could speak enough to get an internship as a research analyst."

Importantly, her boss was a woman "fresh out of an MBA who became my role model." Seeing how well her young boss was doing encouraged Takemura to pursue graduate studies herself.

"I didn't know what I wanted to do with my career, but my time in Seattle made it clear to me that I had to get my graduate degree in the United States."

### YOUNG AND BOLD

However, no sooner had she returned to Japan and graduated college than frustration set in. Takemura encountered a rigid graduate entry interview processes, that, despite leading to job offers, often left her feeling undervalued or pigeon-holed.

Despite the challenges, she landed her first job in an international organization—a two-year stint as an equity sales trader at investment bank Credit Suisse First Boston (CSFB) in Japan.

Although naturally adventurous, Takemura found her interest in the outside world furthered by CSFB's international portfolios. "I wanted to see [the world] with my own eyes."

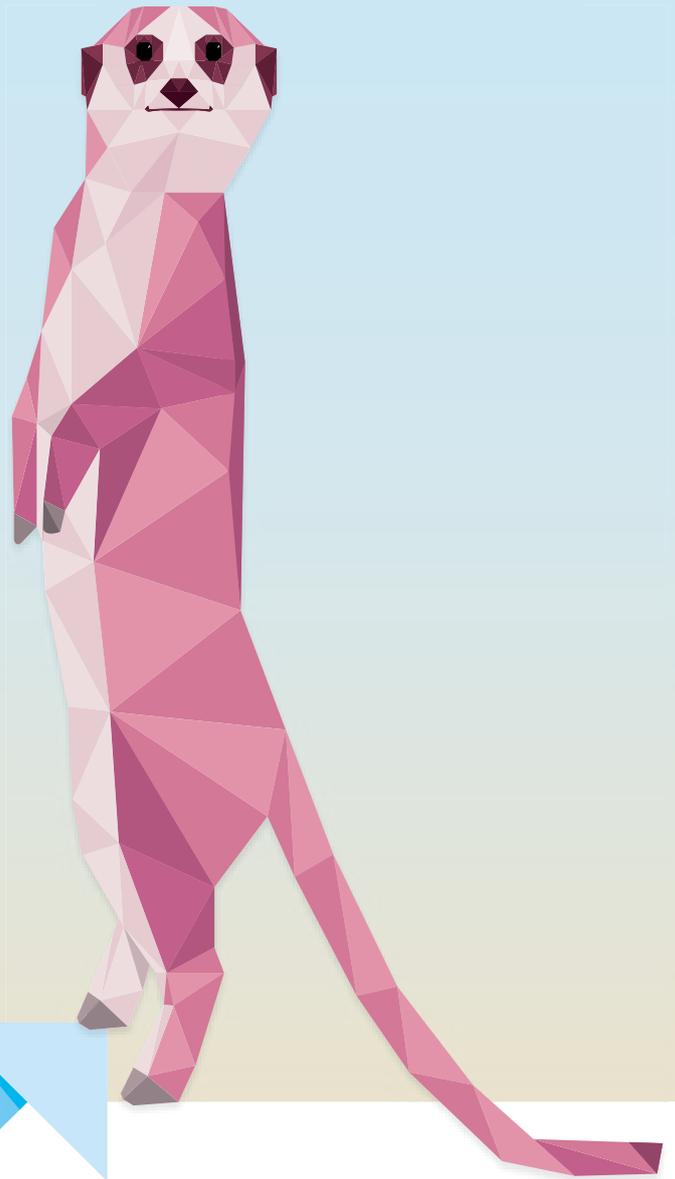
After completing the MBA program at the Wharton School, Takemura took a position in consulting with McKinsey & Company in New Jersey. Looking back, she is grateful for her time there, as it allowed her a chance to identify her real passion.

"I was torn between marketing, which was my major at Wharton, and consulting. And as I felt that going into corporate [work] straight after college would be limiting on my career, doing a wide range of consulting at McKinsey seemed to be the best option."

As the public use of the Internet took shape in the mid-1990s, Takemura was in the right place at the right time to dip her feet into a technology that would change the world—and her fortunes.

Many of her clients at McKinsey & Company were in the IT and telecom industries, so she found herself ahead of the curve when the Internet expanded.

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Takemura explains Unreasonable Institute plans to open 10 labs worldwide.

Executive positions in leading US and Japanese companies followed: Excite Japan Co. Ltd., Amazon Japan G.K., and The Walt Disney Company (Japan) Ltd. Indeed, after McKinsey, Takemura not only entered a senior management role at Excite, where she drove their product development strategy. At age 30, she was also on the company's board of directors, making her one of only a handful of women of any age in Japan to hold such a position.

"It was a crazy and exciting time," she recalls with a laugh. "I was working a lot, but it was a great gateway into the Internet space and, essentially, I was able to rise to the occasion."

### FOUNDER'S DILEMMA

Takemura and her co-founders launched Orinoco KK (then Orinoco Peatix KK as part of Peatix Inc.) in 2008 while they held regular jobs in other companies—in her case, while she was on maternity leave from Disney.

At first, she was an investor in—and board member of—the fledgling company. In those early days, the co-founders didn't have any day-to-day duties at the start-up. But, due to poor results early on, that soon changed.

"Initially, we let others run the company while we maintained our regular jobs and worked on the platform on the weekends. We quickly found out that, without a 'soul'—that is, the founders at the heart of its daily operation—it is very difficult to run a company."

The first product was managed by a team of developers tasked with implementing and managing the vision of its hands-off investors and founders. Originally, the platform allowed creators, such as musicians, to sell their products and creations directly to consumers.

Unfortunately for Takemura and her co-founders, the idea never really took off—in part due to its missing "soul" and because the platform had a less-than-optimal design, so few people found it beneficial. The result? Sluggish growth.

Between late 2010 and early 2011, Takemura and her co-founders abandoned the original product and pivoted to

launch Peatix, an event planning and marketing platform. As a result, they have gained a number of venture capital backers.

### STEAM ENGINE

An established businesswoman, Takemura has evolved into the role of mentor for women and emerging start-ups—especially in the education sector—where she is helping establish many incubators and community-based organizations.

In 2015, Takemura co-founded Unreasonable Labs Japan, an affiliate of US-based Unreasonable Institute, a global

network of social entrepreneurship accelerators. Focused on providing entrepreneurship education, Unreasonable Labs Japan works with early-stage start-ups to help develop sustainable business models that have social impact in their five-day boot camps.

In 2016, she established FutureEdu Tokyo, a loose-knit network of volunteers that inspires parents via media—especially at the elementary level.

Where does Takemura see herself in five years?

"I would like to stay in education for a while, especially working with girls in STEAM in Japan. Here, there is a horrible streamlining into two

categories—sciences and humanities—when kids are thinking of applying to college."

One result of such filtering for women is that there is a dearth of female technical founders of companies, a problem she faced herself.

"I was a founder, but not a technical one. Had I been a technical founder, I feel that I would have been able to do a lot more, because whenever I wanted something technical done, I had to ask or hire someone else to do it—and that was a limiting factor."

While she admits that it will take some time to improve the situation, Takemura adds: "Technology can be really empowering and, especially for women, it can raise their status in the workplace and society in general." ■



# SHINE ON SHONAN

Team building and clean beaches come together in Enoshima

By Alana Bonzi

Just 50 kilometers from Tokyo, in Kanagawa Prefecture, lie scenic beaches, the enchanting island of Enoshima, and breathtaking views of Mount Fuji from across Sagami Bay.

The area—known as Shonan—can be reached by a one-hour train ride from Shinagawa or a crawl through bumper-to-bumper traffic on National Route 134. More than 8 million visitors descend on the shores each summer to enjoy popular firework festivals, barbecues, and beach houses.

Each year, on the third Monday in July, hordes of tourists head to Shonan to escape the concrete, heat, and humidity of the big city and celebrate Umi no Hi (Ocean Day). It is a busy time for the economy, but a stressful one for the natural surroundings.

Keeping the beaches clean while hosting such crowds is a challenge. Like the occasional lonely reveler waking up in the sand, even the environment seems hungover the next day. Early morning walks often reveal overflowing garbage bins dotting the sandscape, and sunrise sailors are greeted by the occasional plastic bag or PET bottle floating by. The mid-morning ballet of municipal garbage trucks and tractors ends just before the first set of visitors arrives for another day in paradise.

Helping keep the landscape pristine is a great way for corporate social responsibility (CSR), and the Fujisawa Beach Cleaning Project and Community Sailing Program provide such opportunities. These activities are a great way to engage your employees in volunteer and team building programs while giving back to the community.



## HOW IT ALL BEGAN

In 2008, my husband Michel and I bought a house in the area and quickly became part of the community. As natives of Nice, France, and the Caribbean island of Trinidad, respectively, we began looking for a tangible way to give back to our adopted home.

We wanted to find an easy-to-understand activity that would be useful, bring people together, and serve as a platform for collaboration and international exchange—one that linked global movement with local action.

Because we are both from coastal regions, we naturally gravitated to protecting the marine ecosystem: seas and beaches. Our location, an 800-meter walk from the Kugenuma coast, was an ideal base.

So, in October 2009, with some of our savings, we launched the first family-friendly Fujisawa Beach Cleaning Project, which drew 180 volunteers—the youngest being just six months old.

The local bank was our first corporate supporter, and volunteer help from friends, staff from our small French language school, members of JEAN (Japan Environmental Action Network), the Kanagawa Prefectural Coastal Foundation, and the Ocean Conservancy all played an important part in getting the initiative off the ground.

The October cleanup marked our first involvement with the International Coastal Cleanup Campaign that takes place



each autumn in more than 100 countries. Participants become citizen scientists for the day, and the Fujisawa Beach Cleaning Project team count, survey, and record their findings. The data is then sent for inclusion in national and global reports on the health of the world's marine ecosystem.

Since 2010, the Fujisawa project has been scheduled each year before and after the peak tourist season. It is held in spring to celebrate Earth Day (April 22), and in autumn as part of the International Coastal Cleanup campaign, which this year will be held globally on September 16. The crowds may have disappeared, but there is no season for marine debris, which ceaselessly continues to filter through.

Fast forward eight years, and the project has been joined by 3,500 volunteers plus a few more corporate partners—many of whom are members of the American Chamber of Commerce in Japan (ACCJ).

### SUSTAIN AND SOCIAL

In April 2016, we celebrated the 15th Fujisawa Beach Cleaning Project with the launch of a Community Sailing Program, held in Enoshima, the venue for sailing events at the Tokyo 2020 Olympic and Paralympic Games. This year, the autumn beach clean-up is scheduled for September 24.

### Keeping the beaches clean while hosting such crowds is a challenge.

Inquiries from volunteers about other kinds of experiences began arriving in 2014, resulting in the launch of the SEGO Initiative, a not-for-profit association. SEGO stands for multiple things. In English, it means sustainable and social, education and environment, global and grassroots, outdoors and outcome. In French, it can be read as *solidarité, empathie, générosité, and ouverture d'esprit*—in keeping with our French language school endeavor. The main mission of SEGO is to create more opportunities for corporations to engage with the local community.

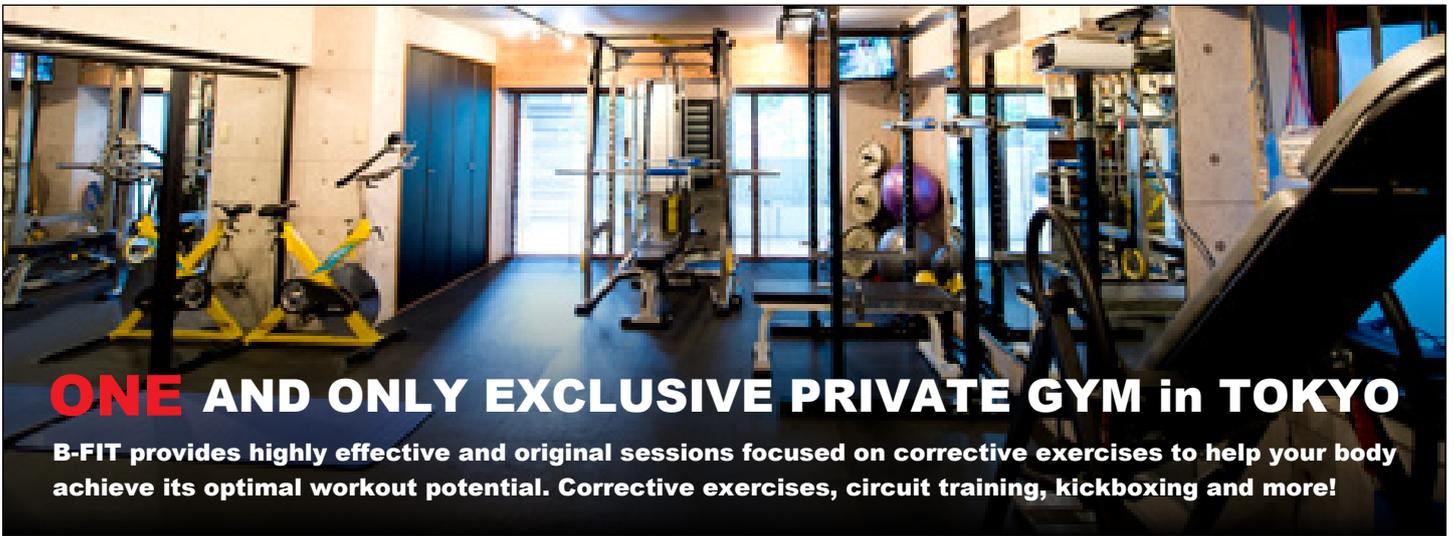
### SAILING IN THREE LANGUAGES

To the Fujisawa Beach Cleaning Project and SEGO, we added the Community Sailing Program in April. This new program provides a chance to sail on the waters of Sagami Bay,

promotes local areas, and attracts new enthusiasts for marine activities. Language is not a barrier because, as with all our family-friendly projects, the activities are conducted in French, English, and Japanese.

Each project has development and operational costs that can be shared, but each still requires that ever illusive liquidity. As a player in the local economic community, we also work with small suppliers who are passionate about the cause, but are not in a position to donate services or products.





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For SEGO, like many other organizations, the biggest challenge is creating a sustainable funding pipeline with ways to leverage these community projects and the great location.

To this end, a new ecosystem of programs, events, and activities for community reinvestment is taking shape. The TIWAL BIG1 (Buy One Give One) program is one such initiative, and redirects a portion of the sales of TIWAL sailing dinghies to support the Community Sailing Program.

Since the sailboat can fit in the trunk of a car, SEGO does a Drive & Sail Experience Program. This involves driving to locations mainly in Enoshima and other Shonan areas for trial sailing sessions, but can also serve as a vector for inbound tourism. Jaguar Land Rover Japan is providing a Range Rover Evoque sports utility vehicle for the program.

### THE NEXT CLEANUP

For the Fujisawa Beach Cleaning Project in Enoshima on September 24, we are hoping to gather 500 volunteers, and more opportunities have been added for corporate partners who like to engage in the International Coastal Cleanup Campaign. In addition to supporting our teams of employee volunteers, companies can also support activities such as a collaborative coloring wall for kids, an outdoor temporary art exhibition, and the sailing experience area. As the Tokyo 2020 Olympic and Paralympic Games approach, there will be even more chances to plan events and activities.

These are all open to ACCJ members and interested corporate partners, and we invite everyone to spread the word and enjoy a beautiful autumn day on the Shonan shores. ■



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# THE MISSING LINK

Staff are key to safe systems

By C Bryan Jones

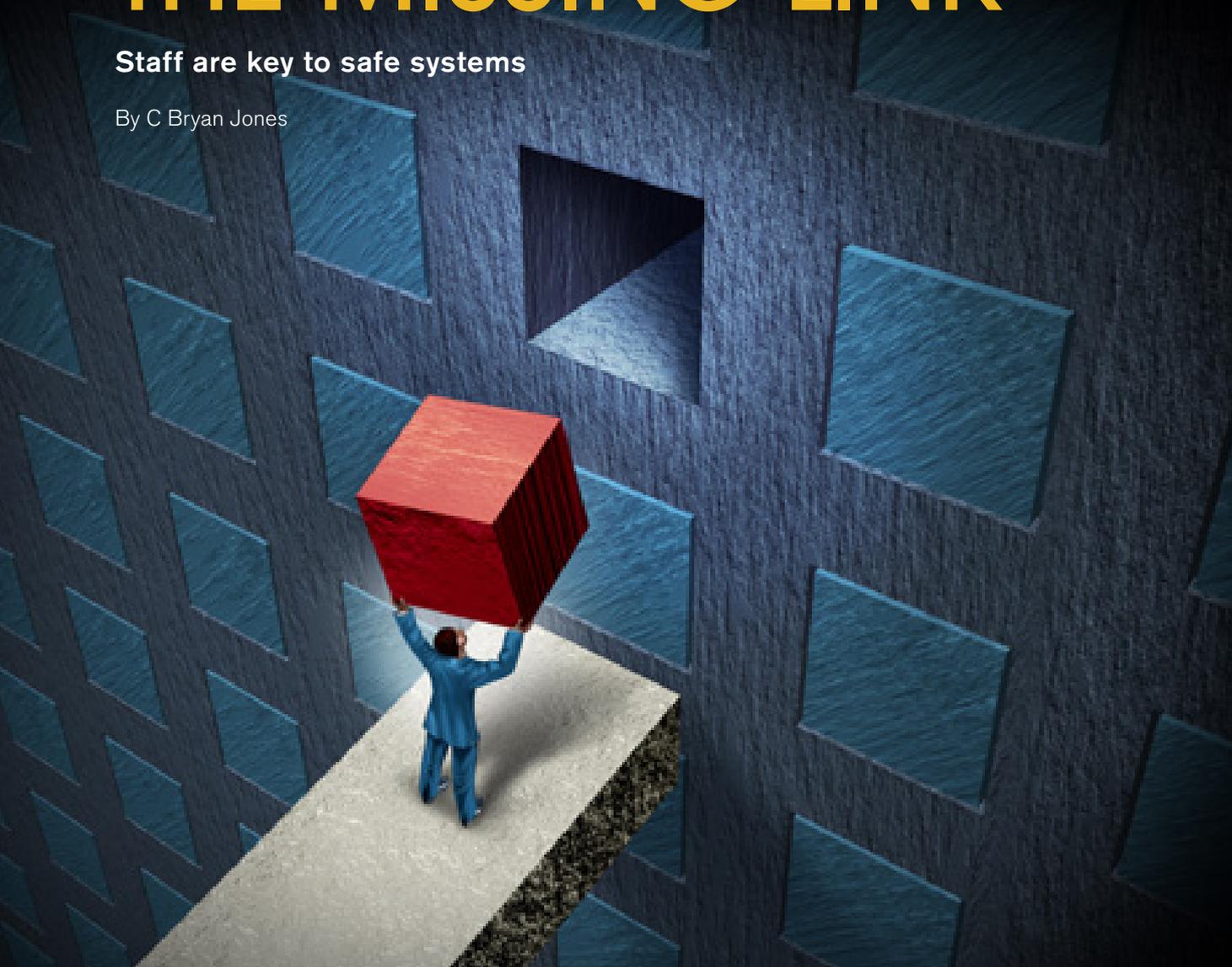


IMAGE: LIGHTHOUSE / 123RF

Technology raises businesses to new heights, but can also drop them hard. Recent attacks such as WannaCry and Erebus have wreaked havoc on businesses. The former infected 230,000 computers in 150 countries in one day, while the latter has South Korean web-hosting company Nayana reportedly agreeing to pay hackers \$1 million after data on its 153 Linux-based servers was encrypted.

Pipeline K.K. CEO Allan Watanabe says these attacks illustrate how fragile and incomplete our cybersecurity is. “This particular attack illustrates how effective and important it is for all businesses and personal users to be aware of patches and vulnerabilities. Many corporations delay patching due to possible downtime for reboots and installations. This attack should show how critical patching is.”

## IT'S PEOPLE

Certainly, maintenance of software and hardware is critical to security, but much of the risk comes down to flesh and blood.

“Many see a firewall, antivirus, or an intrusion detection system as sufficient for their data security policies when, in fact, this is just a preliminary and necessary protection mechanism,” explained Watanabe.

“It’s always people,” said Ras Scollay, country manager and regional sales director at CenturyLink Japan. “You need effective processes and procedures in place from C-level executives down to every single employee. Everyone is looking for the silver bullet that can protect them from cyber threats, but the reality is there is no such thing. All security is porous and requires a multilayered approach.”

One of the most important layers is your staff. Nothing done on the tech side will protect you if staff aren’t aware of the threats and haven’t bought into your security policy.

“Strong passwords, software updates, and adherence to security policies are essential for good cyber hygiene, but are not enough to protect the whole organization,” explained John Kirch, regional director for North Asia at Darktrace Japan K.K. “All it takes is for one employee, network guest, or temporary contractor to click a malicious link or download an infectious attachment to put the company at risk.”

According to Watanabe, a lack of awareness and training is by far the most common chink in the armor. “In general, I find that best practices are non-existent for corporate users.

Some are beginning to look at ways to provide information to their users, but there is a fundamental problem with the way they are informing users. For example, Japan is a country well known for using many external companies and contractors, many of which do not receive the same training as their corporate users. This poses a severe problem to corporate policies.

“Statistics have shown that implementing a simple training program can help improve overall security far more than adding new hardware or software.”

### IT’S POLICY

“Policies keep people accountable. Without a policy, nothing defines desired practices and procedures,” said Robin Tatam, director of security technologies at HelpSystems, a global security and systems management software developer based in Eden Prairie, Minn. “The benefit to the business is lower

risk and the ability to assure best practices. Of course, a policy is only effective if it is shared, validated, and enforced.”

Tatam also warned that an outside threat will often manifest itself through the compromise and utilization of internal credentials, thus no user account should be given unrestricted and unmonitored privileges.

An organization with stringent password policies, tight control over personal devices, and the latest firewall and intrusion detection system may feel protected. But, again, the human element is difficult to account for. Criminals are becoming increasingly sophisticated in the art of social engineering.

“Verizon’s security report indicates staggering click-through rates in phishing emails as high as 30 percent,” revealed Tatam. “This remains a remarkably successful attack vector when we consider that most email marketers are excited by open rates of three to four percent.”

Scollay thinks this could be due to the increasing quality of the writing and design of these emails. “If you look closely, you can usually see it’s not legit, but they are getting much more realistic, meaning there’s a higher chance of someone falling for them.”

And it’s not just email. “Attackers are creating exact clones of popular websites, are using voice phishing to accumulate more data about the targets, and have ways to take over social media and other types of accounts to mimic a user,” warns Watanabe.

Kirch echoed this. “Cyber criminals impersonating other people or brands we recognize and trust consistently remains the most effective way of tricking both consumers and employees into taking inadvisable actions.”

Information overload is also a potential cause for lapses in judgment that help hackers gain information, according to Scollay. “A busy executive is slightly more likely to fall for a phishing attack on the phone.”

Tatam said that social engineering often plays on human nature, which moves people to be helpful and to do as instructed. “Communication often appears to be

Software and hardware is critical to security, but much of the risk comes down to flesh and blood.



IMAGE: BAKHTIARZIN / 123RF



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official and relevant, and can trick even the most seasoned computer user.”

He sees user willingness to take communication at face value as one of the key behaviors that companies must change through training.

“Most of us were introduced to phishing via questionable emails authored by obvious fraudsters. But when an official-looking email is received from a business that you have recently had a transaction with—or from your company CEO—the result is often different,” he said. “Something as simple as a well-intentioned attempt to unsubscribe from a junk email can be all that’s necessary to become compromised.”

Tatam also believes that better education is needed to help people manage demands via phone or email that come from an authoritative source. “Challenging the authenticity of seemingly official directives and communication should be combined with the same ability to challenge office visitors who are not clearly identified as such.”

Watanabe, who believes there should be a mechanism to reward or penalize staff based on their actions, also advises setting clear guidelines. “Users must learn the security policies and escalation procedures. What do they do if something occurs? Turn off the device? Call somebody? Email somebody? There are many choices, and users may decide to hide the incident or take it upon themselves to fix the problem. This can cause additional issues, depending on what has occurred.”

### IT'S LEARNING

Having warned about impersonation, Kirch predicts a future in which telling fact from fiction will become even more difficult. “In the months and years to come, we expect to see a new generation of attacks emerge that use customized code powered by artificial intelligence (AI) to emulate the behaviors of specific users so accurately as to fool even skilled security personnel.”

Organizations need to prepare for fast-evolving, stealthy threats emerging from within, and pernicious attacks that cannot be detected at the border, he explained.

This calls for what Kirch terms an “immune system” approach to security.

“Our bodies are exposed to new bacteria and viruses every day. While our skin stops most from getting in, some will inevitably slip through and infect us. This is where the human immune system comes into play by identifying and killing dangerous pathogens,” he explained. “By modeling cyber defense on the human immune system, technologies based on probabilistic mathematics and machine learning can identify a ‘pattern of life’ for every user, device, and even an entire network. From this precise understanding of ‘self,’ AI can detect and defend against emerging cyber threats at their nascent stages, without the use of rules, signatures, or prior assumptions.”

### IT'S TIME

But before we get to that next stage, we must guard against current threats and ensure that our defenses are the strongest they can be. The danger is evolving daily, so there’s no time to waste.

“As we move faster in a cyber world with the Internet of Things—connected this and that—there is a stronger need for appropriate cybersecurity measures to protect businesses from common attacks such as distributed denial-of-service (DDoS) attacks, malware, and ransomware,” said Watanabe.

He added that the much bigger need, however, is to protect against data leakage and corporate espionage. And that means getting the human part of your defenses running smartly and efficiently through proper education and training.

“Data is the foundation of all businesses,” Watanabe summed up. “And with most of it on servers, hard disks, and clouds, it is vital for businesses to look at the entire picture for their own cybersecurity framework.” ■

## NEXT PHASE

### ACTION STEPS TO GET STAFF ON BOARD

**EDUCATE:** ensure users are given the information to help them make better security decisions.

**DISCUSS:** talk about some of the recent corporate attacks and hold open discussions to understand the issues.

**EMPOWER:** staff worry about being blamed. Encourage a “see something, say something” mentality.

**COMMUNICATE:** frustration stems from a lack of understanding. Show that security does not indicate a lack of trust.

**SOLICIT:** lower resentment by including your staff as appropriate when defining policies.

**ENFORCE:** stand behind your policies to avoid complacency.

**REWARD:** Add a reward system to encourage users to adhere to corporate security policies.





# THE RIGHT MIX

Blending Japanese and Western  
business styles for success

By Julian Ryall

PHOTO: JAGCZ / 123RF

It's often said that men are from Mars and women are from Venus. A similar concept might apply to working for a traditional Japanese company versus a US one. On the surface, they may appear mostly the same; but underlying differences color how they see the world—and business.

Tales of conditions and requirements at Japanese companies are legendary. New statistics on *karoshi*—death from overwork—all too often attract the wrong kinds of headlines in international media. Long work hours, a strict hierarchy based on seniority, a requirement that the customer be seen as God, and a sense that taking annual holidays equals disloyalty to the company and imposes burdens on colleagues define the external image of Japanese corporations.

While these attitudes may be present at some companies, there is also a sense that Japan's employment norms have served business well through the generations and can still contribute to Japanese society in a broader way.

But in an ever more globalized world, Japanese companies are beginning to cherry pick ways in which foreign companies do business and manage their staff, and are incorporating the best approaches into their own operations.

Analysts and businesspeople in Japan suggest that this is creating a hybrid of the best of both business worlds.

## SHAPING STAFF

“Traditionally—and even today—Japanese companies have focused on their employees in terms of training and providing them with an environment that is almost a family,” said Keith Henry, president of Tokyo-based business strategy and government policy consultancy Asia Strategy Inc.

“Companies here value employees who have a general skill set, so they can understand the different functions of the company,” he told *The Journal*.

And there are positives for both sides, he points out. As well as developing a clearer comprehension of the work of different departments, staff obtain a wider range of skills, build a more extensive network, and can narrow down the areas in which they are most interested, helping focus their future career. It benefits the company to have multi-skilled staff who can move more easily between divisions. This also enables employers to identify potential high-fliers while simultaneously making it harder for them to jump ship to a rival company, because they are so “embedded in the fabric of the firm,” Henry said.

In contrast, Western companies are more “flexible” in their handling of staff. They have far fewer qualms about letting staff go when they experience a downturn in their business, and then hiring again when the outlook is more positive. They generally employ professionals with specific skills and make the most of their capabilities by keeping them in those positions. More dramatically, the failure of a project can often mean termination—a term rarely heard at a Japanese company.

Yet Henry, who is originally from Pittsburgh, Penn., but has been in business in Japan for 34 years, says he has detected subtle changes in how companies do business and handle employees.

“Any business system is a reflection of the culture that underpins the society in which it is operating,” he said. “It may be hard for old habits to be changed, but there is a generational change taking place.”

Henry went on to explain: “Japanese companies are increasingly looking overseas for business opportunities and, consequently, are internationalizing their operations in Japan. Similarly, US companies that want to do business in Japan must look at their ways of doing business and ask themselves if it is appropriate for this market.”

So, both sides have a choice: Japanese companies can opt to stay the same or US companies can try to impose an existing model on their operations in Japan. Henry believes there are significant drawbacks to both approaches and that a third option—a hybrid system—is by far the most effective.

### BEST OF BOTH WORLDS

Debra Hazelton, general manager of the Global Talent Acquisition and Development Department of Mizuho Financial Group, Inc., agrees that bringing together the best of both worlds may be the most effective—but she cautions that change is difficult to achieve overnight.

“Traditional large Japanese companies effectively have an unspoken social contract that they will employ new

university graduates every year, give them access to self-development opportunities, and ensure job security pretty much for the rest of their lives,” she said. “And that creates a completely different sort of relationship between employer and employee than when, as is usual outside Japan, people choose to join a company mid-career or are poached from a competitor.

“If you are a young person and are given a career—a wage, job security, healthcare, transport costs, and sometimes even subsidies on your accommodation and meals—then your relationship with and loyalty to the company, your company colleagues, and its customers is going to be vastly different from those of someone who sees themselves as having individual market value. And that attitude is then reflected in the business relationships that you build with customers and other companies.”

For a foreign company entering the Japanese market, the way in which staff are treated will have an impact on the success of the venture, but this is just one component that a new arrival must get right.

“Business in Japan is, like the culture, more relationship-driven and much more long-term in its outlook, while Western approaches are more short-term and results-based,” Hazelton explained. “This is also a reflection of the different cultures: Japanese culture is much more collectivist while the United States is very individualistic. The Japanese build the relationships on behalf of their company, not just themselves as individuals.



“Business in Japan is, like the culture, more relationship-driven”

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“But I also believe it is important that US companies do not come here and simply try to adopt the Japanese way of doing things, because that will not be authentic to them,” she said. “They need to understand the cultural and business environment, and then work out how they can most effectively work in this culture to build competitive advantage. It is more a case of adjusting their ways of operating at the same time as communicating closely, both internally and externally, so there is no misunderstanding.”

The biggest potential pitfall, she suggested, is “not knowing what you don’t know.”

And, analysts point out, there are Western companies that have paid a heavy price when they tried to simply transplant an operating and employment model that has worked elsewhere to Japan.

### THE RIGHT RECIPE

French supermarket operator Carrefour S.A. announced in 2000 plans for 12 stores in Japan, but only ever opened eight outlets and had sold them to Aeon Co., Ltd. within five years. In contrast, Costco Wholesale Japan, Ltd. is going from strength to strength in this market. More recently, Uber Technologies, Inc. has failed to get its ride-sharing service out of first gear in Japan and is currently reconfiguring its operations for this market. It remains to be seen if the alterations are sufficiently attractive to encourage Japanese people to swap their tried-and-trusted domestic taxi for an Uber vehicle.

“Companies that want to come into this market and make a success of it need to localize their product and their personnel, but also adapt to the local culture,” said Jonathan

Kushner, vice president in charge of communications for McDonald’s Company (Japan), Ltd. and a vice president of the American Chamber of Commerce in Japan. “Many of them will develop a hybrid of how they operate elsewhere with the best ways of operating in this market, a blend of the global and the local.”

Since first arriving in Japan in 1971, McDonald’s has been an appropriate example of that hybridization, he said. The company offers a combination of global products together with those developed specifically for Japanese consumers. It does so under the standards of globally consistent best practices in all areas of operations, including work style.

“It is important to note, however, that these are constantly evolving,” Kushner said, pointing to the increased use of digital displays in stores and the introduction of an open office system with free seating at the company’s Tokyo headquarters.

“I see the hybrid model as the future for Japan,” he said. “And the more that Japanese firms have operations overseas, the more they, too, will understand and appreciate the best working styles that can be incorporated here.

“Ultimately, when it comes to operations and staff, a company that wants to come into Japan needs to do its research, it needs to listen very carefully to its local partners, and it has to be humble in this market,” Kushner added. “Diligence is rewarded in Japan, but if a company tries to come in and shake the system up, then that is not going to be a recipe for success.” ■

The way in which  
staff are treated will  
have an impact on the  
success of the venture



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# DIET DAILIES

## MINISTRY OF FINANCE

### REVISIONS TO AUDITS AND INSPECTIONS MANUAL CONSIDERED

In 1998, following an extensive reorganization of Japan's bureaucracy, the Ministry of Finance's investigative and auditing functions were integrated. Two decades later, the ministry's Finance Investigation Manual is undergoing extensive revision.

Following the collapse of the economic bubble of the 1980s, the ministry was derided by some as the "Finance Disposal Ministry." Even though conditions are back to normal, the ministry has been unable to shed this stigma and has been seeking radical reorganization. It hopes to encourage improved intermediary functions for financial institutions, thereby serving as a catalyst for economic growth and becoming the "Finance Nurturing Agency."

The report seeking reorganization—issued last March by expert advisors—points out that the ministry will seek to "review the means of investigation and auditing upon which Japan's financial administration is established and evolve its process."

The experts suggested the merging of investigation—involving entering premises of financial institutions with a search warrant—and auditing—questioning or issuing instructions. Currently, three bureaus exist to carry out these functions. By combining these, the financial administration's "command center" would be strengthened, the advisors noted.

The group also suggested that auditing guidelines and separate investigation manuals in use for banks and insurance firms be combined and, through dialog, activities to encourage financial

institutions to put greater priority on their customers be promoted.

The ministry is expected to decide on reorganization this summer, and to put the new system into effect from FY2018. This would be one step in the process of shedding the confrontational image the ministry adopted following reorganization 17 years ago.

## MINISTRY OF LAND, INFRASTRUCTURE, TRANSPORT AND TOURISM

### MAKERS OF AUTOMATED VEHICLES TO BE LIABLE

The expert panel that serves as an advisory group to the Ministry of Land, Infrastructure, Transport and Tourism met in late April to deliberate on various matters, including liability in traffic accidents involving fully automatic vehicles. It was proposed that, when the cause of the accident is due to a glitch in the system, the costs should be borne not only by insurance companies but by the manufacturers.

Currently, models incorporating certain automated functions such as braking and acceleration are reaching market, and the government has set 2025 as the year by which fully automated vehicles—those requiring no effort by the driver—will achieve practical usage. In this regard,

authorities are proceeding with the necessary legal preparations.

Current law covering automobile accidents treats the vehicle owner or driver as the responsible party. But in the case of fully automated vehicles, such causes as a malfunction of the automated system—or even hacking—can be foreseen. This complicates how responsibility is determined.

The expert group has suggested that the basic framework in which driver or company bears the main responsibility could be maintained, but a system of investigating the cause of accidents would be set up so that the driver can request the manufacturer to bear responsibility in the form of a fixed amount of insurance, funding, etc. The details are expected to be hammered out within the current fiscal year.

Should a vehicle that is hijacked through some external cause, such as hacking, become involved in an accident, the case would be treated in the same manner as one involving a stolen car. Compensation for damage in such cases as hit-and-run or operating an uninsured vehicle would be treated in a manner similar to current government guidelines.

As motor vehicle manufacturers engage in heavy competition to develop fully automated models, the government is expediting development of policies to position Japan as a leader in setting international standards for automated vehicle technologies. ■



PHOTO: KADNY / 123RF

# THE ARTIFICIAL DIRECTOR

As AI enters the boardroom,  
are fully autonomous companies next?

By Nicky Burrige

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IMAGE: NOMADSQUAD / 123RF

A Hong Kong venture capitalist fund credits a single member of its management team with pulling it back from the brink of bankruptcy. But the executive is not a seasoned investment professional, or even a human being. It is an artificial intelligence (AI) system known as Vital.

Dmitry Kaminskiy, managing partner of Deep Knowledge Ventures (DKV), believes the fund would have gone under without Vital because it would have invested in “overhyped projects.” Vital, which stands for Validating Investment Tool for Advancing Life Sciences, helped the board make more logical decisions, he said.

DKV started as a traditional biotechnology fund with a team of advisers and analysts using traditional methods for trend analysis and due diligence. But the biotech sector has a very high failure rate, with around 96 percent of drugs failing to complete clinical trials.

“After gaining some expertise in this sector, we understood that, in some sense, playing your money in the casino is similar to investment in biotech, except at the casino you don’t spend money on maintaining the fund and employing analysts,” Kaminskiy said.

DKV then acquired a team of specialists in the analysis of Big Data—large data sets that can be analyzed by computers to reveal patterns. The team created Vital, the first AI system for biotech investment analysis, enabling the fund to identify more than 50 parameters that are critical for assessing risk factors.

Kaminskiy said: “As we analyzed more and more companies, we were failing to identify those patterns and factors that made a company likely to achieve success. But, surprisingly, as we began to analyze thousands of companies, we discovered certain parameters that were good at predicting the risk of failure.”

Vital showed that the probability of success was higher in the longevity subsector, which seeks to combat the effects of aging, than in most other biotech subsectors. “As this fact became clearer and clearer, our entire focus for the VC fund pivoted to focus exclusively on the longevity sector and on companies that foresaw the coming paradigm shift from treatment to prevention,” he explained.

DKV is currently working on Vital 2.0, which will be launched in the second half of 2017. Kaminskiy said the new system will have a much higher IQ, due to increases in the quality of data available and further diversification of data sources. Vital 2.0 will integrate data from scientific literature, grants, patent applications, clinical trials, and even the biographies of individual team members of companies in which DKV is interested.

While DKV is credited with being the first company to have appointed AI to its board, Kaminskiy said the algorithm’s role was a little different from that of human directors. “We treat it as a member of our board with observer status,” he said. “As a board, we agreed that we would not make positive investment decisions without corroboration by Vital.”



Intelligent companies are likely to introduce AI to support directors, rather than replace them.

## NOVEL TECHNIQUES

DKV was not the first company to use AI as a decision-making tool for risk analysis. Many hedge funds and investment banks started to do so much earlier, without public announcements. But, Kaminskiy reckons that the use of Big Data will take off in Asia this year as the digitization of businesses gathers pace.

“The most novel AI techniques will start to show even better results. The more data there is—the better training data sets are—the better the outcomes,” he said.

Kaminskiy expects this to lead to increased use of AI in management, and predicted that most duties in typical corporations will be automated within five to 10 years.

He added that the emergence of successful decentralized autonomous companies—able to operate without human involvement—is not far off.

One such company, The DAO, hit the headlines last year when it made use of blockchain technology to become the first decentralized autonomous organization. Run as an investment vehicle, The DAO launched in April 2016 through a crowdfunding initiative, with people who bought “tokens” given a say in how its funds should be directed. But it was hacked a few weeks after launch, and a third of its funds were siphoned off to a holding account. The money was later recovered.

Kaminskiy said decentralized autonomous companies of the future will take the form of simple businesses that use blockchain technology to operate. An example might be a municipality that decides to create a taxi company for its citizens.

The cars would be self-driving and an algorithm would determine when they needed maintenance. An algorithm could also be used to run the company instead of a director. The company would be self-sustaining and would not need to make profits, enabling it to provide a cheaper service.

Hsuan-Tien Lin, chief data scientist at Appier, a Taiwan-based technology company, said that AI is increasingly being used to support management decisions across many sectors. “Within every area of management, there is related data. AI can help make decisions based on that data to help human managers decide what action to take to fulfill their goal.”

The emergence of successful decentralized autonomous companies—able to operate without human involvement—is not far off.

Lin said AI is now being used for management applications ranging from helping retailers manage inventory to increasing knowledge sharing within research and development companies by identifying the relevance of information to different teams.

In most cases, AI is being used to support decision-making, but Kaminskiy said this is beginning to change. “Some systems are self-teaching. They are able—partially in some cases and fully in others—to make decisions themselves, without humans.”

Kaminskiy said these systems are used in autonomous cars and in the financial sector, with investment funds and hedge funds starting to dismiss people and change their decision-making processes to use algorithms. He said this type of decision-making tool will increasingly be used in the boardroom.

But Kaminskiy does not think AI will fully replace people on boards of directors. Instead, it will probably be limited to augmenting human intelligence, he said, arguing that the corporate winners will be so-called intelligent companies that combine “smart machines with smart people,” using the latest AI technology to support management, but not to replace it.

While this scenario may sound futuristic, Kaminskiy believes it is not far off: “2018 to 2020 could be the turning point when intelligent corporations will begin to appear.” ■



DKV's Dmitry Kaminskiy

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# DANGER IN OLD-FASHIONED LOBBYING IN JAPAN

Although a long-established tradition in places such as the United States and the European Union, the practice of lobbying does not garner the same level of recognition in Japan. While conducting activities to influence policy in one's favor is common in many countries, the process differs in Japan. Here, it has largely been conducted through behind-the-scenes negotiations (*chinjo*) involving a limited number of stakeholders.

In recent years, however, because of changes the Japanese government has made to how politicians can interact with private businesses, it has become increasingly difficult for such closed and often murky decision making to take place. There was great public backlash, for example, when the watering down of policies came to light, and there is now increased demand for objectivity and transparency within the policymaking process.

In the past, businesses could make use of personal connections with government officials to effect policy changes in their favor. But the rise of media's role in exposing dishonest conduct—and the public criticism that inevitably follows—has required policy decisions to be fair and beneficial to society.

Recent major scandals involving two schools, in which private connections with top government officials are suspected to have led to unfair privileges, have shed light on the considerable risks a business faces when engaging in private negotiations with the government. In one case, a vast discount in state-owned land was given. In another, the school received authorization to establish a veterinary department due to such political connections. When such scandals are exposed, there are devastating consequences for both the business and any government officials involved.

## EFFECTING CHANGE

For businesses looking to introduce new products and services in Japan, it is often necessary to lobby for changes to existing regulations that may create obstacles. In some cases, the necessary regulations to ensure the safety of a product or service may not yet exist. Conducting marketing without first ensuring that the necessary regulations are

in place garners negative attention from the media, public, and related business organizations.

To be accepted, policy proposals that allow for the smooth introduction of a product or service to the Japanese market must solve existing social issues and involve a decision-making process that is both transparent and objective. Lobbying for a policy change that clearly only profits a single company or organization will merely spark criticism and outrage from media and the public. What is required from businesses, then, is to be an advocate for the policy changes that not only benefit themselves, but more importantly, also benefit society.

In fact, Japanese policymakers are in want of such input from businesses and the general public so that the discussions surrounding policy changes can be conducted more openly, and with an increased focus on furthering public interest. To solve social issues effectively, businesses must now gain the support of outside specialists and academics while also sharing knowledge of the issue with media. A three-party collaboration is necessary.

In Japan, what is now required is not behind-the-scenes lobbying (*chinjo*), but a strategy called public affairs that can be distinguished by the following points:

1. It must be a solution that has public interest and helps solve social issues.
2. It maintains transparency by revealing the decision-making process from its beginning stages.
3. It ensures third-party objectivity by partnering with academics in creating policy proposals.

The practice of public affairs is gaining traction in Japan, and has resulted in significant successes for a number of companies—especially those driving change in their respective markets. In Japan, the strategy is most effectively employed by the public affairs division of Vector Inc., Japan's largest public relations company. Well-versed in all forms of Japanese media, and able to utilize media in its lobbying strategies, Vector also cultivates relationships with specialists and academics to create policy proposals that originate from academia. ■



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# WHERE BUSINESS AND GOVERNMENT CONVERGE

How GR Japan strengthens your voice

In business, clear rules and regulations are essential to growth. Around the world, companies have found ways to express their interests and views to governments, often through the services of public policy and government relations advisers. But in Japan, it is not unusual to hear claims that government relations activities are less common, with people pointing to a political process that differs from those found in the United States or Europe as evidence that what works there simply won't work here.

The most important message about government relations in Japan is that, while it may require a local twist, the same practices and methods that work in Washington, DC, or Brussels are just as effective in Tokyo. New arrivals might be surprised to see how foreign companies are being welcomed, have successfully embedded themselves into Japanese culture, and are now thriving.

Not only is it possible for companies to contribute to the policymaking process, it is essential that they do. The role of government is significant in Japan, so decisions and regulations can have a huge impact on the way you run your business.

While some companies might be able to leave politics alone and still prosper, for the majority it is not enough to see it as a "natural force" that can't be controlled. In many cases, taking a stake in the policymaking process is a small investment that helps you plan and grow your business.

For those looking to get their message across to policymakers, there are a few important points to consider:

## 1. DEFINITION OF GOVERNMENT RELATIONS

Government relations is fundamentally an organization's efforts to proactively monitor, manage, and shape its business environment to achieve its objectives, mitigate risk, and support growth. Government relations accomplishes this by: a) shaping public policy; b) building a strong reputation; c) finding common ground with stakeholders; and d) being proactive rather than fighting fires.

## 2. ROLE OF GOVERNMENT RELATIONS

The role of government relations is to build value for the organization through two key methods: reputation management and issue management. In reputation management, which can be called "The Messenger," the goal is to enhance and protect the organization's reputation as an asset by informing key audiences and earning their support for its policies, products, and role in society. In issue management—or "The Message"—the task is to motivate key internal and external audiences to adopt beliefs, actions, and behaviors that further the organization's mission, goals, and objectives.

## 3. VALUE OF GOVERNMENT RELATIONS

It is crucial that business leaders understand the value of government relations. These activities help shape a positive business environment, manage risk (by reducing taxes, regulations, and the cost of doing business, and preventing new barriers to trade), create market opportunities to promote growth or enhance revenue and profitability, and manage crises. They also need a better understanding of how to manage reputation and stakeholder relations, track emerging issues, anticipate change, and manage issues (prepare for crises).

Changes in Japanese policymaking and politics in recent years explain why the country has seen the rapid growth of a professional government relations/public affairs sector, and the rise of companies that combine very familiar international government relations practices with local understanding, networks, relationships, and thorough preparation for technocratic Japanese officials. As the government relations-related industry has grown, Japanese policymakers have become more familiar with and more receptive to international practices, enhancing access to global thinking and international best practice, and enriching the policy dialogue. The growth of this sector in Japan is set to continue. ■



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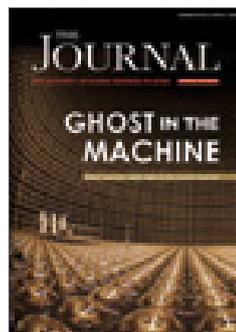
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# Become Your Own First Responder

By Dr. Greg Story  
President, Dale Carnegie Training Japan



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Billions of dollars are being spent in the areas of beauty, weight loss, fashion, and entertainment. These are the fantasy lands from where we receive our images of success. By comparison, we are too short, too tall, too skinny, too fat, too poor, too . . . whatever. Actors, sports stars, and captains of industry all seem to be living the dream—and we are barely making a living.

If only I had been born to wealthier parents, in a better neighborhood, in a better city, in a better country. I wish I had a better education or had a better job, better prospects. I wish I had been dealt a better hand in life.

Stop wishing that, because you are not going to be dealt a better hand. You have what you have. You can't change what has happened in the past, but that doesn't mean it is all you can ever have.

Many have made mistakes, poor choices, taken unwise paths, and hung around with the wrong crowd. Face it, accept it, stop fighting it. You can't undo the mistakes of the past. Stop trying to go backward. Use that energy to go forward.

Don't live in the past. Look at your strengths, not just your weaknesses.

Well, this all sounds very fine, dandy, and noble. But how do we do that? We have to become our own first responder. When a catastrophe occurs, the first responders go in and rescue people, they apply life-saving procedures and spirit away the wounded to safety.

The white knight, on his white charger, is not about to turn up anytime soon, so we had better get busy helping ourselves. We had better come up with our own rescue plan and start moving forward.

Before we can make that move, though, we must throw off the heavy burdens holding us back. These are not physical barriers, but mental ones. We need to start by freeing ourselves from our past. Horrible, sad, unfair, gross, ridiculous things happened to us. Or we had supreme bad luck. It doesn't matter. We must move forward.

Now, I didn't say we had to forget what happened. That is unlikely, and probably impossible. The trick is to free

ourselves from the incapacitation that those past events are having on our daily reality. We need to focus on what is in front of us today, what is in the locus of our control.

If yesterday is haunting us to the point we can't focus on today, we are never going to break free. To get rid of yesterday—so we can concentrate on today—we need to take the worry component out of our frame of reference. We can recall the past, but we need to remove the worry bit. Worrying about it changes nothing, so recall but stop worrying about it. Create your own hermetically sealed memory house with glass walls, ceilings, windows, floors, and doors where the content is visible but nothing can get out. Mentally make it so the worry dimension cannot escape to contaminate your today.

Having done that, we switch gears and look at our strengths and assets.

Assets? What assets, you ask? You have time, and that is the greatest asset you can ever have. You spend time either productively or less productively, but you still spend time. By looking at time as your asset, you can now start the process of going on to the front foot

and thinking about how to spend that time more efficiently, effectively, and productively.

You can set down a detailed vision for yourself—where and how you would like to be in the near future. Next, you can arrange a series of key, high-priority goals which will help you achieve that vision. Your goals must be broken down into precise, defined, realistic action steps to realize the vision's objectives. Now we devote all the time we have available to working on those action steps. This process creates forward momentum from which we can build further, step by step. What did all this cost you? A small part of your greatest asset: time.

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- 1 Members of the ACCJ–Kansai Community Service Committee and office staff made a visit to the Food Bank Kansai (FBK) facilities in Hyogo prefecture on June 8 and were welcomed by Megumi Asaba, chairperson of FBK (center). FBK was recently selected as one of ACCJ–Kansai’s Walkathon fund recipients.
- 2 ACCJ President Christopher J. LaFleur met with US Secretary of Energy Rick Perry at Tokyo American Club on June 3.
- 3 ACCJ–Chubu hosted the Women’s Power of Persuasion event at Coat of Arms Pub and Restaurant in Nagoya on May 26.



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These companies join *The Journal* in wishing readers a happy Fourth of July.



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# Happy Independence Day to Readers of *The Journal*



**A**fter a resolution was introduced to the Continental Congress by Richard Henry Lee of Virginia in June 1776, stating that the American Colonies should be free, the Congress worked to achieve consensus on the direction this idea should take. Ultimately, they decided to draft the Declaration of Independence.

The task was first assigned to Benjamin Franklin, who demurred, refusing to write something that would be subject to editing by others. Next, it was assigned to John Adams and Thomas Jefferson. Believing it to be the best course of action for creating a document that would both inspire and garner political support, Adams insisted that Jefferson be the primary drafter. The Declaration, which still holds deep relevance and inspires reverence in the hearts of Americans, speaks boldly of respect for humanity, the equal rights of individuals, and the

responsibilities of government. It set forth the lofty ideals upon which the US experiment is based. Many Americans can recite and recognize phrases from the Declaration—particularly the words pertaining to life, liberty, and the pursuit of happiness.

What many Americans may not know is that Jefferson's draft was edited some 86 times by the Continental Congress. That Jefferson's beautiful and epochal draft required 86 edits to pass muster should remind us of three things: Americans have always believed in and supported

vigorous debate; we are capable of the most glorious of achievements; and our achievements do not always come easily.

Independence Day is a cherished holiday for Americans. For those of us overseas—often far away from friends, loved ones, and the communities we grew up in—this celebration takes on added meaning. As we celebrate the 241st anniversary of this special day, we recall the great men and women who came before us and the ideals that inspired the birth and growth of our nation, and that have influenced countless others around the globe who yearn for freedom and self-determination. Independence Day offers a chance for us to come together—with family, friends, partners, and colleagues—at receptions, parties, and barbecues to celebrate this improbable endeavor of the founders of our nation, which has demonstrated remarkable endurance,

produced unprecedented prosperity, and continues to inspire other nations and peoples.

As we have the good fortune to represent the United States and to live and work in Japan, we also celebrate the deep bonds we share with our host nation. Our bilateral relationship is a pillar of economic stability, peace, and prosperity in the region and the world. Both of our nations are mature democracies built on shared values, in particular respect for individual freedoms, rule of law, and open markets. Through our collaborative endeavors, this relationship will continue to flourish.

The American Chamber of Commerce in Japan (ACCJ) is a critical partner of the US Mission and a mainstay of our bilateral relationship with Japan. For nearly 70 years, the ACCJ has brought generations of Americans and Japanese closer together through countless programs and diverse forms of engagement, including a deep and abiding commitment to social responsibility.

On Independence Day, I would like to extend the well wishes of the US Mission in Japan, together with the government and people of the United States, and share our deepest hopes that you enjoy a great Fourth of July. ■

**Jason P. Hyland**  
Chargé d'Affaires  
U.S. Embassy Tokyo

**The ACCJ is a critical partner of the US Mission and a mainstay of our bilateral relationship with Japan.**

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# Education in Kansai



FROM THE BOARD

By Stephen Zurcher  
Vice president ACCJ-Kansai

The Kansai chapter of the American Chamber of Commerce in Japan (ACCJ)—along with the ACCJ as a whole—is growing. This can be measured in multiple ways, such as adding AstraZeneca and the InterContinental Hotel Group as corporate sustaining members. But, recently, it is in the education space where we have really been expanding our influence in the Kansai region.

As reported last month in *The Journal*, Arthur Matsumoto and the ACCJ-Kansai External Affairs Committee concluded a series of three university-based events to help develop global talent at three ACCJ member universities. Together with Dr. Will Baber of Kyoto University, we recently hosted a delegation of MBA students from the University of Virginia Darden School of Business. Originally planned for 15–20 students, interest in Japan from their MBA students was so

overwhelming that the school ended up bringing 48. We also invited a number of local students from Kansai-based schools to this event.

The topic was project management in Japan, and we brought in two speakers: Dr. Matoh Shimizu and Hidenori Suzuki. Shimizu has written several books on project management in Japan, and Suzuki is currently working on the Tokyo 2020 Olympic and Paralympic Games project. The Darden leaders were grateful to the ACCJ and Kyoto University for organizing this event, and it turned out to be a wonderful collaboration between all involved.

Most recently, the ACCJ Kansai Chapter is endeavoring to work in collaboration with our member hotels in the Kansai area to prepare Japanese graduates to work effectively at a management level in the hotel businesses. This is, of course, of great

interest on both the student side and the business side. Finding global talent in Japan is a challenge all industries currently face and, with the recent incredible growth in tourism, the need in the hotel industry is most acute. This is an example of how the ACCJ can both support our members and impact our community in a very positive way.

Lastly, I want to mention the upcoming ACCJ Kansai Women in Business Summit, which is scheduled for September 19 at the Hilton Osaka. The theme for the summit is *Workstyle Reform: Meccha Win-Win*. This is now the Kansai Chapter's marquee event, organized by Mary Anne Jorgensen and the Kansai Women in Business Committee. We welcome you all to this event and to engage in this important discussion. This invitation is an open one, but do book your hotel room well in advance! ■

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# Health for the Win

Top business plan focuses on nutrition

By Julian Ryall

The 23rd annual Japan Market Expansion Competition (JMEC) was won by the five-strong Team Kokorozashi, which loosely means “aspirations.” Nevertheless, all 65 people who took part in this year’s contest emerged with new understanding of and skills for the world of international business.

The awards ceremony was held at Tokyo American Club on July 7, with 13 teams from widely differing backgrounds vying for top honors.

Started in 1993 by the Australian and New Zealand Chamber of Commerce in Japan and supported by 18 foreign chambers of commerce, JMEC is a training program in which participants attend a series of lectures and then work in teams to draw up a business plan for a real product or service in the Japanese marketplace.

## SACRIFICE

“Team members have given up a lot over the past five months, including a social life, family, friends, and sleep,” said Tom Whitson, JMEC chairman and a former president of the American Chamber of Commerce in Japan (ACCJ). “But I would hope that all of them would say that JMEC 23 has been a valuable learning experience, and that the camaraderie they have developed has made it worth all the effort and sacrifice.”

## JUDGES

The business plans put forward by the 13 teams were judged by a panel of three experienced businesspeople:

Deborah Hayden, regional director for Edelman Japan; Georg Looer, president and representative director of NRW Japan KK; and Rike Wootten, president of KK Gotairiku Partners.

Wootten said that judging the entries had, again, been a difficult task. The top three business plans scored within 2.5 percentage points of each other.

The announcements began with three special recognition awards. Team Fox won the Best Presentation Award, Team Foo! earned the Out-of-the-Box Thinking/Lightbulb prize, and the Lucky Sevens received the award for Kanto-Sho Fighting Spirit.

## WINNERS

Moving on to the main awards: third place went to Team Saber, made up of Murod Ismailov, Haruka Iwata, Luiz Fernando Olimpio, Keiko Ono, and Ryota Sawada for a project plan for the Swedish Chamber of Commerce in Japan (SCCJ). Mentored by Patrick Laudon, executive coach for LifeCrack LLC, and with Miriam Embury, board advisor and consultant for Miriam Mulcahy Consulting, serving as their consultant, the team each won a stylish Tausche bag and tickets to an ACCJ “nomu-nication” event.

Second place went to Team Spectacular—Saya Matsumoto, Masanori Nishijima, Matthew Passmore, and Yoko Sato—for a market entry plan for Dublin, Ireland-based DOCOSoft, an innovative developer of claims management, document management, and workflow

software solutions. Ernie Olsen, managing partner for OCC KK, acted as the team consultant and Verna Holder, an actuary and independent consultant, served as the participants’ mentor. The team each won a Hewlett Packard EliteBook Folio G1 business laptop.

First place went to Masato Fukuda, Leonard Le, Eisuke Shiga, Rieko Whitfield, and Mai Yamamura of Team Kokorozashi for a potential new personalized nutrition project for Royal DSM, a global science-based company active in health, nutrition, and materials, headquartered in the Netherlands. The team was mentored by Yvonne Gerritsen, an independent professional consultant, while Jussi Salmela, an independent healthcare professional, acted as consultant.

## PRIZES

Members of the first- and second-place teams received one-year ACCJ memberships, and vouchers for ACCJ events went to the first- and third-place finishers.

Speaking to *The Journal* after accepting the award, Whitfield, a visual communications specialist for the ACCJ, said she has always had plenty of ideas that could help a business, “but I always lacked the skills to put those concepts into practice. I have already taken a lot from the whole program.” ■

More details: [www.jmec.gr.jp](http://www.jmec.gr.jp)

Julian Ryall is Japan correspondent for *The Daily Telegraph*



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Matthew Romaine



Club members Paul Kuo and Matthew Romaine



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**1** The Opening Ceremony of the 26th ACCJ/NIS Chubu Walkathon and International Charity Festival at Moricoco Park in Aichi Prefecture on May 21.  
PHOTO BY ANDY BOONE



**2** Members of the ACCJ-Kansai Executive Committee hosted a special dinner to thank outgoing US Consul General Allen S. Greenberg and his wife Haruko (fifth and sixth from left) at the ANA Crowne Plaza Kobe on June 8.



**3** Standa Vecera, CEO of P&G Japan at "Vision for 2020," held at Tokyo American Club on June 6.

**4** From left: Paul Kraft, chair of the ACCJ Food and Agriculture Committee; William Hall, president of IPSOS Healthcare Japan; Jesper Koll, CEO of WisdomTree; Patrick Newell, founder of Tokyo International School; and Dave McCaughan, chief storyteller of Bibliosexual at "Now You Know Your ... J-K-Ls" on June 1 at Tokyo American Club.

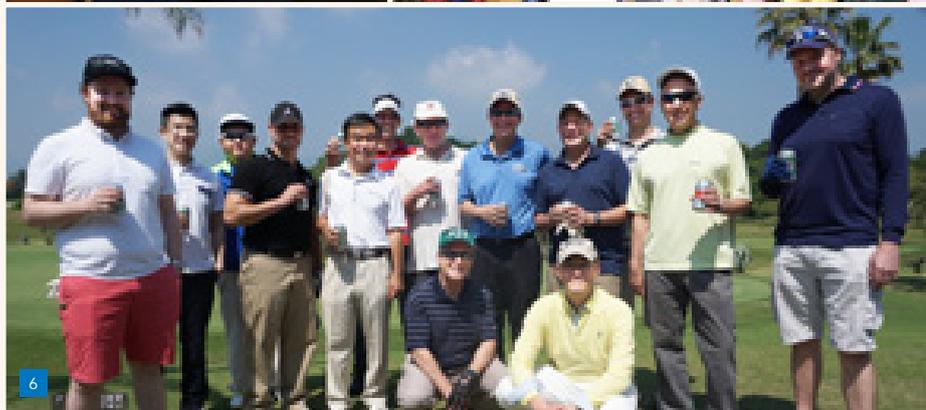


**5** From left: Ryann Thomas, ACCJ governor and chair of the Women in Business Committee (WIB); Deborah Gillis, president and CEO of Catalyst, Inc.; Tsukiko Tsukahara, vice president of Catalyst Japan; Yoshiko Zoet-Suzuki, WIB vice-chair; and Zane Zumbahlen, WIB vice-chair at "Global Trends and Practices in Diversity and Inclusion" on May 30 at Tokyo American Club.

**6** Participants in the Charity Fun Golf: Drive for Chubu Kids take a break at Grace Hills Country Club in Yokkaichi, Mie Prefecture, on May 19.



**7** Students visiting from the University of Virginia's Darden School of Business participate in a workshop on project management organized by ACCJ-Kansai and Kyoto University held at the Mizuho Room on Kyoto University's Yoshida Campus on May 13.



## UPCOMING EVENTS

Please visit [www.accj.or.jp](http://www.accj.or.jp) for a complete list of upcoming ACCJ events or check our weekly e-newsletter, *The ACCJ Insider*.

### • JULY 10

Crack the Cultural Code: A New Framework for Sales Team Success in Japan

### • JULY 21

Joint Chamber Summer Cocktail Networking

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ACCJ EVENT

# Working Well

Enhancing women's economic participation through better health

By Maxine Cheyney

**W**omen's participation in the workforce plays a key role in Prime Minister Shinzo Abe's economic policy. As such, areas that contribute to this are under scrutiny—women's health, in particular.

The Healthcare, Government Relations, and Women in Business committees, and the Pharmaceuticals subcommittee of the American Chamber of Commerce in Japan (ACCJ) teamed up to highlight this issue at an event on May 17 at Grand Hyatt Tokyo titled, "Enhancing Women's Economic Participation through Better Health, a Discussion on the Role of the Public and Private Sectors."

Belén Garijo, CEO and member of the executive board at Merck Healthcare; Akiko Matsumoto, president of the nonprofit organization Fertility Information Network (Fine); and Kiwa Chinen, director of the Women's Health Promotion Office, Health Service Division of the Ministry of Health, Labour and Welfare's (MHLW) Health Service Bureau, spoke to ACCJ members about what must be done to enhance women's health and, in return, their economic participation.

## PRIVATE SECTOR

Merck's Garijo highlighted the correlation between diversity and revenue as a driving force for the private sector when tackling women's health issues.

She suggested that more collaboration between the public and private sectors is needed—including increasing competitiveness between the two.

A recurring theme, Garijo observed, is the lack of support for women's healthcare—in terms of education, paid leave, and financial support—and the need for both the government and private sector to step up. She added that the role of men is key.

Looking specifically at the medical research field, it was explained that not enough is being done, public schemes alone are insufficient, and more private-sector involvement is needed.

One such initiative that needs input from Japan's private sector is encouraging women in the workplace. Both Matsumoto and Chinen emphasized that nothing will be solved until work-life balance and the lack of women in leadership is addressed.

## WOMEN'S HEALTH

Those in different stages of life, such as puberty, child-rearing years, menopause, and old age have different health considerations. Chinen said this needs to be taken into account, along with the differences between men's and women's health issues.

She added that the MHLW does have enhanced programs—especially in aiding women and pregnancy. However, she said many women suffer from depression after having children, and the government is looking to provide more support to mothers, including helping women change their circumstances if they need support to raise a child.

Another concern is that Japan is the only advanced country in the world with an increase in HIV diagnoses. Chinen said what is needed are

improved preventative measures, support for those already diagnosed, and steps to address stigmas around diseases such as HIV that would prevent women from being tested in the first place.

She said that many women find themselves not going for screenings due to busy work and home lives. A shortage of gynecologists and doctors specializing in female health in Japan makes scheduling even more difficult.

According to Matsumoto, in 2014, Japan saw the highest number of cases of in vitro fertilization (IVF) in the world (393,745 cases). That year, one out of every 21 children were conceived through IVF in Japan.

Matsumoto suffers from infertility and outlined some of the struggles such women face.

Many, she said, do not speak about it; but the physical, mental, financial, and time burdens are serious. One concern she raised is the fear women have of disclosing their treatment. This is especially true at work because they worry about being moved into an easier or lower role.

Matsumoto emphasized the need for education, both at work and in schools, when it comes to conception, pregnancy, and childbirth.

All three women stressed the need to educate both men and women on women's health issues, and for business leaders in the private sector to play a role. ■

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

# Bridging the Gap

How foreign venture firms connect  
Japanese start-ups and traditional companies

By Maxine Cheyney

**T**he venture spirit in Japan is growing stronger. Japanese start-ups and entrepreneurs need support, but how to get larger Japanese companies interested in investing is something many do not yet understand.

On May 30 at Tokyo American Club, Draper Nexus Ventures Managing Director Akira Kurabayashi spoke to members of the American Chamber of Commerce in Japan about how his company bridges the cultural gap between large Japanese corporations and Japanese start-ups.

## CULTURAL CHALLENGES

Draper Nexus Ventures is an early-stage venture capital firm based in Silicon Valley and Tokyo that aims to “match, and help collaboration between, start-ups and large companies,” Kurabayashi explained.

He suggested there is a specific area that Japanese entrepreneurs need to pay attention to: enterprise technology. This includes the ever growing fields of artificial intelligence, the Internet of Things, Big Data, cybersecurity, and the emerging hardware market.

Although these technologies are dominated by the United States and China, “on the application side, Japanese companies can build the best applications for Japanese customers,” Kurabayashi explained, saying this is where the focus should be.

The challenge is to get support and investment from large Japanese companies. There is a tangible difference in business culture between start-ups and traditional Japanese companies, and this becomes a point of disconnect.

“That kind of open innovation style conflicts with the Japanese long-term,



seniority-based, lifetime employment system,” he said.

“Post acquisition, the start-up CEO cannot get the authority to scale the business.” This is due to the many layers of supervisors that exist in large Japanese corporations, meaning that coming to a decision can take a lot longer than expected.

This idea of open innovation is well known in Japan. However, according to Kurabayashi, Japanese corporations “could not implement those business practices.”

He recalled one story in which a limited partnership (LP) company brought 10 employees to a conference room, but only one person spoke. “That’s scary from a US start-up CEO standpoint,” he said. With no questions asked by the Japanese corporation, he added that it is difficult to really understand what these large Japanese corporations are thinking. This can create mounting pressure on a start-up’s CEO and slow the decision-making process.

Draper Nexus Ventures is trying to solve this practice and have LPs work with them to learn how to accelerate

the growth of start-ups. “It’s kind of like venture capital training,” Kurabayashi explained. “We need to provide education to the Japanese start-up community.”

## LEARNING

Every month, the company releases a white paper covering the enterprise technology market. “Based on that, we make decisions on what areas to look into, and we share that with our LPs.”

The company’s business acceleration program is another initiative designed to further this education.

“Some Japanese companies are very good at building new business, but typically they aren’t,” he suggested. Understanding a proper strategy is crucial.

He said many manufacturing companies have a “product-out” mindset—not looking at the market—and instead focus too much on the product and technology.

The Draper University Executive Program is one way to help entrepreneurs break out of this, and part of the program is to encourage people to take risks, something to which traditional businesses in Japan have great aversion.

“Japanese corporate employees are educated not to make a mistake,” he explained.

Overall, Kurabayashi believes that the quality of Japanese entrepreneurs is improving, although guidance is still needed. “In the long term, we want to influence and change their mind from farmer to hunter, which is necessary for entrepreneurs to succeed.” ■

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



# Kids Summer Camps Program Information

in  
Hakuba

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**Participant Age:** Ages 7 – 14

**Camp Dates:** July 15th – 16th (Register by: July 8)  
July 29th – 30th (Register by: July 22)

**Location:** Hakuba, Nagano, Japan

**Number of Campers:** 30 children (maximum)

**Registration:** By email or check our website

**Cost:** 28,000 yen

### 4 Night / 5 Day Program

Language: English

**Participant Age:** Ages 8 – 14

**Camp Dates:** July 3rd – 7th (Register by: June 26)  
July 8th – 12th (Register by: July 1)  
July 17th – 21st (Register by: July 10)  
July 22nd – 26th (Register by: July 15)

**Location:** Hakuba, Nagano, Japan

**Number of Campers:** 30 children (maximum)

**Registration:** By email or check our website

**Cost:** : 5 Day: 108,000 yen / 10 Day: 209,000 yen

It is possible to join two 5 Day Programs consecutively for a 10 Day and 9 Night program. This extended program is recommended for those children with prior camp experience and time away from their parents. The basic camp is the 1 Night 2 Day Program which introduces children to the summer camp experience.

# 26th Walkathon a Success



The 2017 ACCJ/NIS Chubu Walkathon was a huge success, and we are extremely grateful to all who helped on Sunday, May 22. Special thanks to all our corporate sponsors, prize donors, volunteers, food vendors, band performers, those who ran activities in the game area, OSU Girls, visiting guests, charities, students, parents, Moricoro Park, and, of course, to all who purchased tickets! We couldn't have done it without ALL of you! ALL PHOTOS BY ANDY BOONE



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# Failing Fast

Innovation and adapting to the rise of the robots

Like it or not, the robots are coming. C-3PO, the loveable yet anxious protocol droid from *Star Wars* may have replaced human interpreters, but that was a long time ago in a galaxy far, far away.

It does foretell developments in our own world, however. In 2017, robots and their underlying programming are revolutionizing the way we live and work. This spring, the American Chamber of Commerce in Japan held the CEO HR Dialogue, sponsored by the Human Resource Management Committee and hosted by JPMorgan Chase & Co. At the event, CEOs and HR leaders explored the inevitable explosive growth in innovation.

Steve Monaghan, CEO of Gen.Life Limited, a start-up that is transforming the insurance industry through artificial intelligence (AI) and blockchain, noted that technological change has been exponential, and that workers and leaders “can’t keep up with this acceleration.” He pointed to the recent layoff of 60,000 people by Foxconn Technology Group, which replaced the workers with robots, as just the tip of the iceberg.

According to the March 2017 MIT report *Robots and Jobs: Evidence from the US Labor Market*, the number of jobs taken over by robots in the United States to date is between 360,000 and 670,000. But by 2025, the number of robots in the world could quadruple. This would mean 5.25 more robots per thousand workers in the United States, leading not only to reduced wage growth but also displacement of 1.9 to 3.4 million jobs.

And these aren’t just blue-collar jobs. Monaghan explained that radiologists in the medical industry, and underwriters in the insurance industry, are already being replaced by AI.



By Roy Tomizawa, co-chair,  
Human Resource  
Management Committee

## INNOVATION MINDSET

So, the future is exciting! Or scary! Or a bit of both. As Coca-Cola (Japan) Company Limited President Tim Brett explained during a panel discussion with CEOs and senior leaders, creating an organizational attitude that balances excitement and concern is key. You need a level of what he calls constructive discontent. “Be proud, but be discontented. We need to balance motivation and discontent to encourage big and small risk-taking in our company.”

The leaders agreed that, within the context of an organization, innovation shouldn’t be a function or a department—it must be a mindset. Sachin N. Shah, president of MetLife Insurance K.K., said that “innovation is a convenient word that represents behavior for our people, like challenging the status quo, or having a deep understanding of customer problems.”

For Lacoste Japan CEO Dieter Haberl, it is all about the customer: “Focusing on a culture of innovation is not the right focus. It’s outside in, it is what the customers focus on. That will enable us to focus on the right strategy to create

the discontent, discomfort that [Brett] talked about. Then you need to create a culture of execution. Everybody needs to own it.”

## SEEKING SAFETY

But in Japan, these behaviors can create high levels of discomfort. Akiko Nakajo, a director at Google G.K., talked about the Google value of experimentation and prototyping: failing fast. She explained that in a recent internal study, teams that felt high “psychological safety” exceeded their sales targets by 17 percent, on average, compared to teams that felt low safety, who missed their targets by approximately the same amount, on average.

And yet, it’s hard for Japanese to get used to this. “We need to ensure it’s okay to fail in front of team members,” she said. “At Google, we are always pushing people to go to the next level. With a psychologically safe environment, my team and I feel comfortable trying new things.”

To ensure that people are failing fast in the right areas, a clear corporate strategy is vital. As Shah said: “You [must] organize the company around a clear and challenging strategy—what we are doing and why. Otherwise, people are doing random activities.”

So, the robots are coming; but with them comes the drive of innovation. Will you be rallying troops around a meaningful strategy and purpose, leveraging the advances in technology to profoundly impact customer experience? Or will the robots be eating your lunch? How you encourage your teams will make all the difference. ■

**Innovation shouldn’t be a function or a department—it must be a mindset.**

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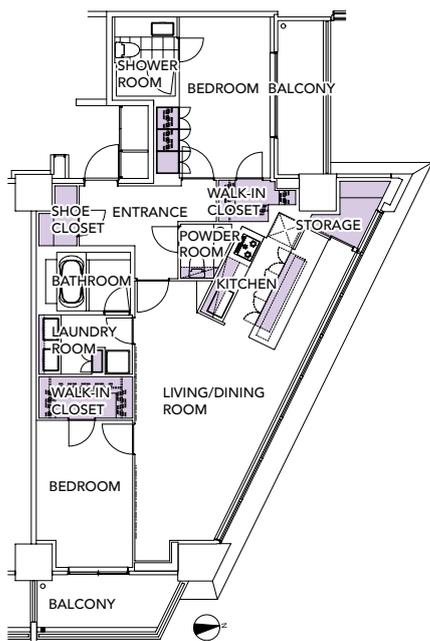
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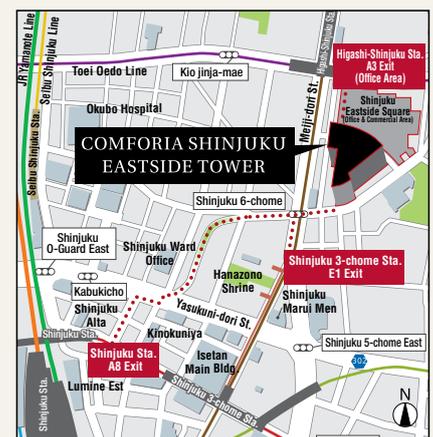
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Overview of COMFORIA SHINJUKU EASTSIDE TOWER

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\* Overview created in June 2017. These pictures, taken in November 2011 and April 2017, are for guidance only and may differ from the actual facility. These views are not guaranteed in the future.

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Atago Green Hills MORI Tower, 17th Floor  
2-5-1 Atago, Minato-Ku  
Tokyo 105-6217, Japan

Tel: +81 3 6435 9658  
[www.centurylink.co.jp](http://www.centurylink.co.jp)

