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—Page 28



## MARTIN FOSTER



**Hometown:** Manchester, UK

**Languages:** English and Japanese

**Most memorable interviewee:**

Frank O'Farrell. He had just been fired from the manager's job at Man. U. in 1972, and someone had coaxed him out on a brisk Sunday morning to watch a game between boy scout troops at a non-descript playing field on the edge of Manchester, somewhere. I marched up to him, and said something like, "Martin Foster 88th Salford Servite Scout News, any comment on the game, sir?" I remember him being civil, but not revealing . . . which was good preparation for working in Japan!

**Years in journalism and in Japan:**  
27 and 37

**Currently reading:** *The Golem*, by Gustav Meyrink. Gothic horror in the 19th century Prague ghetto.

**Thoughts on print journalism:**

Still thinkin' . . . still printin'

## RILEY WALTERS



**Profession:** Research Assistant at The Heritage Foundation

**Hometown:** Alexandria, Virginia

**Languages:** English, Japanese

**Favorite place in Japan:**

Nikko, Kamakura, or anywhere during the Spring and *hanami* season

**Currently reading:** *Eボリティックス* (E-politics), by Kumi Yokoe

**Secret skill:** Billiards

## DR. NANCY SNOW



**Home region:**

The Deep South, USA

**Hobbies:**

Ping pong, singing

**Favorite place in Japan:**

Hotel Okura (before the demolition)

**Most memorable interviewee:**

J. William Fulbright

**Years in journalism:**

25+ (both teaching and writing)

**Professional mentors:**

George Gerbner, Herbert Schiller

**Favorite authors:** Ellen Gilchrist and

Louise Fitzhugh (among many others)

**Social media handle:**

drpersuasion

**Currently reading:**

*Japan and the Shackles of the Past*, by R. Taggart Murphy; and *Brand America*, by Simon Anholt



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# INTERESTING TIMES— WOMEN AND ASIA COME TO THE FORE



John Amari

[john@custom-media.com](mailto:john@custom-media.com)

I've thoroughly enjoyed being editor of *The Journal* since April, to cover for the editor-in-chief's maternity leave, so it's with great pleasure that I finally write this page for the first time following contributions from others involved in producing the magazine.

The August issue of *The Journal* is heavy with two themes: women in the workforce and trends in Asia, including Japan. We go cover to cover with highlights from the 2015 ACCJ Women in Business Summit (WIB Summit) of the American Chamber of Commerce in Japan (ACCJ), to a new regular column featuring a woman entrepreneur (page 26), to the ACCJ Person of the Year Award (page 49), which was presented to Fumiko Hayashi, mayor of Yokohama.

Unarguably the chamber's event of the year, the WIB Summit drew more than 700 participants and keynote speakers including Prime Minister Shinzo Abe and US Ambassador to Japan Caroline

Kennedy. ACCJ President Jay Ponazecki opened proceedings with a stirring call to action, as summarized by WIB Summit Co-chair Elizabeth Handover (page 47), who was the master of ceremonies. A bird's-eye view of the summit is provided in the ACCJ section (page 43), ensuring you miss nothing from the day's inspiring events—a day in Japan to be remembered as the moment fine words about women in the workforce began to take shape.

We also take a look at the Abe administration's policy initiatives for a robotics revolution (page 16), and the latest from the startup tech scene in Kyoto (page 18). From further afield, we present a summary of the opportunities—and challenges—to be had in the fast-developing Association of Southeast Asian Nations (ASEAN) (page 20).

Still on the theme of Asia, *The Journal* sat down for an exclusive interview (page 28) with multiple award-winning editor Ronald Henkoff, who is the executive editor of finance magazine *Bloomberg Markets*. Henkoff speaks candidly about womenomics, China, ASEAN, and the changing relationship between print and digital journalism.

Full of color and deep insights, Henkoff's comments—which include an overview of the editorial evolution of *Bloomberg Markets*—are a must-read that reflect the

issues underpinning *The Journal's* recent editorial improvements.

At the heart of August's issue, the ACCJ section not only features news from the WIB Summit, but also dispatches from the Kansai chapter of the chamber (page 50) and their new initiative for aspiring entrepreneurs.

A key part of the work done by American chambers of commerce in Asia-Pacific is to lead the conversation on business in the region. We hear directly from Jackson Cox (page 54), chairman of the Asia Pacific Council of the American Chambers of Commerce (APCAC), on the important roles APCAC and the ACCJ play in Asia and Washington.

To begin though, our lead story for August examines a key pillar of Japan's economic revival strategy—the country's national and special economic zone initiatives (page 10). Not just the Kanto area and Tokyo, but also other cities and regions of the country are in the grip of investor excitement—and central and local government support—spurred on by an economy showing real signs of recovery.

This is, indeed, a period of exciting change in Asia and Japan, as well as for *The Journal*. As always, we wish readers an enjoyable read, and encourage your feedback. ■

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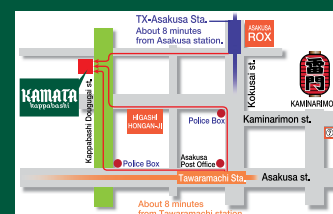


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Tweets in Japanese from people and media

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This month: Popular tags from the top 30 list

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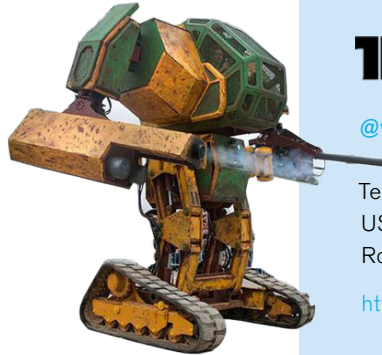
Discussions from global leaders

### The New York Times

@nytimes

Women's World Cup Final Was Most-Watched Soccer Game in United States History

<http://nyti.ms/1LOvNwt>



### THE VERGE

@verge

Team Japan Accepts US Challenge to a Giant Robot Duel

<http://t.co/t0KTuK7XAr>



### FORTUNE

@FortuneMagazine

PowerToFly President Katharine Zaleski admits, "I didn't realize how horrible I'd been—until I had a child of my own."

<http://for.tn/1EGfnCz>

### The Telegraph

@Telegraph

The really worrying financial crisis is happening in China, not Greece

<http://lnkd.in/e7GnuVR>



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@nhk\_news

大手携帯電話会社のKDDIが手がける「au」の一部の携帯電話で、メールのやり取りができなくなる通信障害が発生し、会社では復旧を急いでいます。KDDIによりますと、12日午後6時半ごろから「au」のスマートフォンを含めた携帯電話の一部でメールのやり取りができなくなる通信障害が発生しました。 <http://nhk.jp/N4KC4G0a>

KDDI Corporation, one of the major mobile phone companies in Japan, announced that its au users encountered email service failure. KDDI is working to restore the service as soon as possible. According to KDDI, this email disruption started on mobile phones, including smartphones, at around 6:30pm on July 12.\*

\* Translations of original content in Japanese

Rank

- 1 #gameinsight
- 3 #LoveWins
- 16 #USA
- 26 #news
- 28 #sougofollow

Rei Hasegawa, [influencer](#)

Head of Corporate Communications, Japan

### THE NEW ROLE OF COMMUNICATIONS IS TO BECOME AN ARTISTIC CANVAS

The LinkedIn Corporate Communications team hosted 100+ senior communications executives at CommsConnect in New York. The goal of this event was to learn about how communications professionals can achieve business success amidst a changing media landscape.



Tomoko Namba, [influencer](#)

CEO of DeNA Co., Ltd.

### A MESSAGE TO MY FELLOW ENTREPRENEURS

DeNA founder Tomoko Namba's keynote speech at Slush Asia [in Tokyo, 2015], where she shared advice drawn from her own success and mistakes with the attending entrepreneurs, is online.

[www.linkedin.com/company/dena](http://www.linkedin.com/company/dena)



# ZONED OUT!

Is Japan losing focus on special economic zones?

By Martin Foster



Hideo Kumano was surprised when he saw the initial proposals for special economic zones (SEZs) drafted by the government of Prime Minister Shinzo Abe in 2013, under the slogan “Japan is Back.”

The Law on National Strategic Special Zones was adopted in December of that year, and the bold reform proposals for SEZs sanctioned Japan’s regional areas to play the role of test beds for new technology and ideas considered too far ahead of the arc of the national regulatory and system-based curve.

The idea behind the SEZs—or *tokku* in Japanese—was to cut through the bedrock of vested interests and bureaucratic red tape, which had precluded innovation in the past; produce speedy approvals; and, within three years, to deliver concrete results, which later could be applied nationwide.

The positive cycle that the SEZs helped create was viewed as the breakthrough needed both to change Japan’s economy and society, and to help the nation exit almost a quarter century of deflation.

“I partly admired, and was partly surprised by, the proposals,” says Kumano, executive chief economist in the economic research institute at Dai-ichi Life Research Institute, affiliated with the Dai-ichi Life Insurance Company, Limited, Japan’s third-

largest life insurer in terms of revenue. “I thought things might really be different this time.”

## ATTRACTION OF ZONES

Six SEZs were announced in May 2014, and it was said that 68 projects would eventually be approved in the Tokyo and Kansai areas, Okinawa Prefecture, Niigata City, Fukuoka City, and Yabu City in Hyogo Prefecture.

With 27 projects, Tokyo leads the pack as it aims to attract companies that will set up their Asian headquarters in the capital’s center or along its waterfront. The government has even allowed local hospitals to employ non-Japanese physicians.

Niigata City has 14 projects, mainly centered on agriculture, that include attempts to allow companies to control farmland—



which will allow supermarkets, for example, to offer advice to farmers on what to grow. To date, this has been the prerogative of the Central Union of Agricultural Cooperatives, or JA-Zenchu, a powerful body that has dominated farm practices in Japan. The city is also looking for ways to combine scattered farming plots to allow planting and harvesting to be more mechanized.

Aiming to become a tourist hub, Okinawa Prefecture hopes to use its proximity to South Korea and China to attract the two nations' growing middle-class populations, that are visiting the archipelago with increasing frequency.

Fukuoka City, with six projects, plans to relax visa restrictions for non-Japanese laborers. In the future, this is likely to be a vital step for Japan, as the nation's working population continues to shrink and young people are unlikely to overcome their aversion to the 3Ks—*kitanai* (dirty), *kitsui* (hard) and *kiken* (dangerous)—of physical labor.



Sub-tropical Okinawa Prefecture is to become a tourism hub under SEZ plans.

Like Niigata, Yabu City aims to revitalize its farmland. In addition to the company-based initiatives, Yabu is also attempting to revitalize abandoned farmland and bring it back into production.

Three more SEZs were added on July 8: Sendai City, Miyagi Prefecture; Aichi Prefecture; and Semboku City, Akita Prefecture.

The Kansai area including Osaka, Kyoto and Hyogo Prefecture, has built on its traditional connections to the pharmaceutical and medical devices industries. In particular, Kyoto is home to Shinya Yamanaka, joint winner of the 2012 Nobel Prize for Physiology or Medicine with Sir John B. Gurdon.

In 2006, Yamanaka discovered how intact mature cells in mice could be reprogrammed to become immature stem cells. This process became known as iPS, or induced pluripotent stem cells.

The use of iPS cells derived from human blood has so far been restricted to academic research use, but in September 2014 Kyoto Prefecture proposed the removal of these restrictions, to create an environment where iPS cells can be bought and sold as commercially-based research tools.

The use of iPS cells in regenerative medicine was discussed at a Cabinet Office working group meeting held January 9, 2015 attended by representatives of the Ministry of Health Labour and Welfare. And on January 27, the

government announced that it was considering establishing a policy to permit the sale of iPS cells derived from human blood within SEZs.

Necessary legal amendments to SEZ laws were passed in July, and will be enforced from September, opening the way for the approval of specific business plans.

It is difficult to put a dollar figure on how far the commercialization of iPS would boost economic activity, but, in the first instance, by being able to trade iPS blood between organizations, instead of produce it on site, it is expected that research activities, such as those involving drug discovery, will accelerate, possibly feeding into greater and more rapid commercial application.

## THE NEW ECONOMY

It is slow going, but Kazuya Suzuki, senior director of the special economic development zone promotion office in the Department of Industry, Labor and Tourism at the Kyoto

Prefectural Government, is excited about the possibilities.

"We could see commercial developments start from early 2016," he said. "Not only are patients waiting for iPS-based regenerative medicine initiatives, but the emergence of iPS cells as a research tool is also likely to open the way to new drug discovery that in itself will serve to treat patients."

New medical devices could also be created, and Kyoto is racing to establish itself as a center for both medical-based research, and mechanical innovation.

The area around the Yoshida campus of Kyoto University includes the university hospital, while across the Kamo River in the Kamigyo-ku area lies Creation Core Kyoto Mikuruma, an incubator facility for wellness-based ventures.

Kyoto is also home to the Keihanna Open Innovation Center at Kyoto (KICK), located in the hills between Kyoto, Osaka and Nara, along with a network of crafts-based companies under the title of the Kyoto Shisaku Net.

"Looking ahead, I am confident that Kyoto will be able to offer investors a conducive environment for health and wellness-based businesses, from research to tool-making," Suzuki says.



Niigata City has been identified as an SEZ for agriculture due to its ample farmlands.

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## PIPEDREAM OR OPPORTUNITY?

The zones were originally announced as part of a regulatory reform agenda that was included in the Liberal Democratic Party pledges in December 2012. Significantly, the manifesto made reference to an “international cutting-edge test” by which systemic obstacles, where the difference with countries could not be rationally explained, would be abolished within three years.

“At that point, I thought that the ideals of Abenomics were wonderful,” Kumano says.

But, the “international cutting-edge test” was omitted from the platform on which Abe and his party won the December 2013 general election, and time began to flow by with few concrete achievements, despite the public announcement of the 67 projects. Kumano has lost faith in the special economic zones, and it could all end up as little more than a pipedream. “I have largely forgotten what the point was, and am pretty disappointed,” Kumano says.

He is exasperated over the fact that Japan has not made more of its superior technological capabilities, and cites drones as an example. Kumano sees drones offering concrete economic benefits that could help open up Japan’s depopulated and aging villages, as well as offshore islands with restricted transport links to the mainland.

Were they to know they have both Internet and concrete links to the outside, it is possible that savvy urbanites would either more willingly join the U-turn back to the villages they left to come to the big city 30 or 40 years ago, or make a lifestyle change and move to the countryside.

Kumano points to how drones could be used to send fresh produce from areas with transport bottlenecks to stores and restaurants in city areas. It is also plausible that drones could be used to help supply public services, such as the delivery of official documents and library books from official establishments to isolated villages.

This scenario is similar to that of Shigeru Ishiba, minister in charge of Overcoming Population Decline and Vitalizing Local Economy in Japan, and minister of state for the National Strategic Special Zones.

At an event in Tokyo on July 16, the minister noted that the labor shortage was greater in rural areas than urban ones, and that promoting a shift to the countryside by males in their 50s could improve labor productivity.

Technology is clearly one way to help them make the transition. On April 17, as one of the SEZ projects, Narita City proposed using nighttime no-flying time at Narita International



A mega-city, Tokyo is leading the push for more SEZs in Japan.

Airport to stage field tests involving drones. But just five days later, a drone landed on the roof of the prime minister’s residence and, overnight, a key technological opportunity came to be viewed as a threat.

As a result, Japan has taken the low road solution to the drone issue and, instead of expanding regulatory leeway to encompass and support

the business opportunities provided by drones, has decided to force a technology whose potential remains unknown at this point into the narrow shoebox of a low level regulatory remit.

What’s more, this move is now considered to be damaging the work done by the Ministry of Economy, Trade and Industry, which oversees technologies such as drones and radio-controlled helicopters, the use of which has also suffered a backlash.

“Seen from the standpoint of the ‘international cutting-edge test,’ this is mistaken,” Kumano says. “What should in principle be free, and regulated only in the exception, is being regulated in principle, and free only by exception. It goes against the spirit of freedom.”

Takuji Okubo, managing director and chief economist with Tokyo-based Japan Macro Advisers, is even more blunt in his criticism. “The idea that the special economic zones will have any impact or meaning for the Japanese economy is incorrect,” he says. In Japan, “*tokku* is just a word; it is just a gimmick.”

He is particularly scathing about the regulations attached to non-Japanese doctors allowed to “practice” at Japanese hospitals under the so-called reforms. As patients wishing to be treated by these doctors will not be allowed to use Japanese health insurance, for all intents and purposes, the doctors are being prevented from treating the vast majority of the Japanese public, Okubo says.

## THE ABE FACTOR

What Abe gives with one hand in the SEZs, he takes away with the other, Okubo states. Even while appearing to boost quotas for non-Japanese physicians in SEZs, the prime minister knows that the effective restrictions placed on their activities will make it unlikely that doctors will rush to Japan.

This, of course, is what vested interests want, and it is Okubo’s view that such interests have captured Abe.

As a result, he considers the prime minister to be a shrewd politician, but has little good to say about his SEZ efforts, and is urging Abe to engage with deeper structural issues. A case in point is the accreditation system, which should be altered to allow more non-Japanese doctors and lawyers to work in Japan, rather than just see superficial tinkering to give the impression that reform has taken place.

It seems clear that, if special economic zones are not to end up as little more than yet another pipedream of reform and recovery, now is the time for Abe to reassert control over his government, face down vested interests, and drive through the initiatives necessary to revitalize the ailing regions of a—still—ailing state. ■

The Keihanna Open Innovation Center at Kyoto is a center for innovation in the region.



Photos: Okinawa Convention & Visitors Bureau;  
Tokyo Convention & Visitors Bureau; Niigata Convention & Visitors Bureau.

# INTERNET-LINKED Factories

Japan launches forum to counter German initiative

By Atsushi Nakayama,  
Nikkei senior staff writer

**NIKKEI**  
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German Chancellor Angela Merkel (left) and Indian Prime Minister Narendra Modi

Japan is launching an initiative to counter Germany's Industry 4.0, a set of rules and standards to drive digital technology in manufacturing. To increase efficiency, German makers are attempting to revolutionize production methods by connecting factories around the world via the Internet.

On Thursday June 18, a consortium of about 30 Japanese companies launched a new forum—the Industrial Value Chain Initiative—to discuss ways of both creating technology standards to connect factories, and internationalizing Japan's industrial standards.

Yasuyuki Nishioka, a professor of information and industrial engineering at Tokyo's Hosei University, has long advocated using information technology in the manufacturing industry. Nishioka is the man behind the newly formed Industrial Value Chain Initiative (IVI), which counts major businesses in the electricity, IT, machinery, and automobile sectors among its members, including Mitsubishi Electric, Fujitsu, Nissan Motor, and Panasonic.

IVI members will discuss how to create common communications standards for linking factories and facilities, as well as how to standardize security technology. For a long time, Japanese businesses have built communications networks linking their own groups and affiliates. But this time things are going to be different.

"We aim to establish a structure that will connect even small and mid-sized companies via the Internet, beyond affiliates, and across sectors," said Nishioka.

That is exactly what is happening in Germany under the Industry 4.0 initiative. Information systems at small, mid-size, and large companies will all be connected via the Internet. This will allow the synchronization of all processes—from ordering to parts procurement, production to shipment and follow-up services. The move is aimed at achieving leaner operations and inventory management, which is manufacturers' ultimate goal.

Under Industry 4.0, German companies rely on big data technology to analyze volumes of information and use artificial intelligence to find the most efficient manufacturing methods. Factories constantly communicate with one another, enabling manufacturers to eliminate losses—even when making small amounts of many different products—and achieve the same level of efficiency as with mass production, one Siemens executive said.

This approach contrasts sharply with Japan's method of mass production, once seen as the best model for manufacturers worldwide. Siemens is aiming for the next stage of manufacturing, called mass customization, according to the executive. Japan's IVI seeks to achieve that as well.

Germany has already laid out a road map for Industry 4.0 until 2020, through public, industry, and academic collaboration. What's more, this spring the country unveiled its own communications standards, sensors, controls, and other devices for Industry 4.0. Most of these systems are German made.

Creating international standards means Germany will have the upper hand in the business sector. Volkswagen, for instance, is participating in Industry 4.0. If the German automaker which, among foreign carmakers, holds the largest market share in China is to press ahead with the German initiative there, its Chinese automaker partners, parts makers, and financing companies will all be integrated into this system.

However, this would mean that Japanese makers would have to spend extra money to carry out any necessary adjustments. If they did not, Japanese businesses might be left behind.

As a manufacturing-oriented nation, Germany is throwing its full support behind Industry 4.0. German Chancellor Angela Merkel herself is courting emerging countries. She invited Indian Prime Minister Narendra Modi to the Hannover Messe 2015 in mid-April, and pitched the concept to him.

Furthermore, leading German companies that promote Industry 4.0 recently reached out to Industrial Internet Consortium, a US body that encourages greater use of the Internet in the American manufacturing sector. These German companies have taken part in the Industrial Internet Consortium (IIC) standards-creation processes, too.

"What is important is to make friends, rather than competing to set standards," according to an executive at Hitachi, a Japanese maker of heavy electric machinery. "By participating in foreign standardization organizations, Japanese companies need to collect information and think of ways to create new businesses using their technologies."

Japanese manufacturers, such as major automakers and machinery makers, have enjoyed greater profitability. In the days of Industry 4.0, however, they are likely to face a totally different industry landscape.

In a world of growing connectivity, innovative small and mid-size companies and venture companies in emerging nations would be able to market their products globally by utilizing factories run by larger corporations. The next wave of industrial revolution could level the playing field for manufacturers across a number of boundaries, such as region, size, and business sector. ■

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# JAPAN'S GALAPAGOS SYNDROME ROOTED IN ITS EDUCATION SYSTEM

Tests don't nurture creativity or imagination

Translation of article in *Diamond* online  
by William H. Saito

@whsaito



There's been a constant stream of news recently related to artificial intelligence. The future is likely to be one in which robots play active roles in society—perhaps even relegating humans to insignificance. To prevent this from happening, it will be necessary for education to nurture creativity and imagination.

At present, the approach used in exams in Japan typically resembles the equation “ $7+3=?$ ” from which the answer can be derived . . . . In other countries, it's more common in examinations to see questions such as “ $\_\_ \times \_\_ = 24$ ” that make students consider several possible answers.

The difference in the second method is that students, more than being made to memorize the “what,” are encouraged to think “why?” and, thus, exercise their creativity and imagination. These are more important for thinking [than simply finding the one right answer].

Japanese are adept at exercising their memories and learning by rote, but now we've come to an era in which it's simple to find information using [search engines such as] Google. It's coming to the point where we can say there's no longer any value in knowing information per se. Rather, what matters is how we can process the information we acquire and link it to knowledge or ideas.

In the future, there will be other matters of importance [such as experience of performing volunteer activities] aside from school education. Through [these] experiences, one learns about those who are physically or socially weaker than oneself. It affords good opportunities for direct encounters with diversity, and is important in the sense that not only should we consider assisting those in need, but also that it's all right to seek support when we ourselves need it.

By the same token, it's extremely important to have varied interests. One of the common characteristics I've observed in all my successful friends is that they have several different types of interests.

Why is it so important to have interests? Because they afford a means of enjoying failure. In such cases, people consider the reasons, analyze them, and devise solutions, leading to the next

What matters is  
how we can process  
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challenge. However, if they grow to adulthood without understanding this process of learning from mistakes and encountering failures, they come to fear failure and shy away from confronting challenges.

[Moreover] society can be expected to undergo major changes over the next 20 years and, according to some predictions, machines or computer software will replace two-thirds of existing occupations. In such a world, the sole weapon left for humans to wield will be creativity.

I am, nevertheless, reminded of voices that say, “Academic basics are still important.” That is right. We should also safeguard Japan's culture

and the attributes of “Japanese-ness.” That said, I still believe it's all right to modify the way of thinking in what constitutes “Japanese-style professionalism,” which is still regarded as a virtue in certain specific fields.

In the past, Japan achieved world leadership in *monozukuri* (making things) by adopting distinctive ways of thinking. Take the automobile. From its invention it took about 80 years for the vehicle to be disseminated worldwide. During that period, various countries, including Japan, developed technological advancements and transmitted them to others, enabling us today to enjoy the benefits of this manufacturing revolution.

But it won't be possible to sustain the rewards from these advancements for another 80 years. No matter how much mechanical precision can be boosted, such innovations can be imitated in other markets almost overnight.

And no matter how it evolves, the basic design of the automobile engine is not going to change. So, when considering what to change, the task will fall upon software that makes a car more enjoyable to drive. How components and software can be combined to create value will determine what is useful to society in the future.

But let's get back to the subject of education. Both now and in the future, to succeed globally it will be important to adopt “open-type” human resources—people will need to have broad networks outside their companies and/or overseas. The opposite of this is the closed-type individual, whose network solely comprises relationships inside their company or family.

To create open-type human resources that can team up with the rest of the world, the English language will be absolutely essential. Does this

mean Japanese is worthless? Well, since it's spoken by only 1.7 percent of the world's population, it isn't conducive to building a broad network.

The “one correct answer” approach that I mentioned earlier is still emphasized in Japanese education. But elsewhere in the world, this system is found only among a small minority. As soon as possible, we need to shift to a new education paradigm in which students are made to consider the “why” of a situation. ■

Full-length original article:  
<http://diamond.jp/articles/-/74055>

# ROBOTICS ANSWERS: JAPAN OUT TO LEAD THE NEXT INDUSTRIAL REVOLUTION

By Riley Walters

Imagine a bed that turns into an electric wheelchair, or a sensor system on the factory floor of an automated warehouse that tells machines to slow down when humans are walking nearby, or an exoskeleton that can help a stroke victim learn to walk again. These are examples of robots that exist today.

Now imagine a robot with which you can have meaningful conversations; a robot that can not only carry a disabled person, but also bring them food and drinks; or a robot building other robots in a completely automated factory, taking people completely out of the production process. These are the robots of the future.

The Ministry of Economy, Trade and Industry (METI) with the full encouragement of the administration of Prime Minister Shinzo Abe, aims to make Japan the world's leader in this emerging sector, namely, robotics.

## ROBOT REVOLUTION

In 2014, the government of Japan—in its revised Japan Revitalization Strategy document, which is part of the structural reforms element of Abenomics—established a goal to realize a “New Industrial Revolution Driven by Robots.” This was revised in 2015—as the “New Robot Strategy. Japan’s Robot Strategy—Vision, Strategy, Action Plan”—with a goal to establish Japan as a robotics superpower.

To this end, the New Robot Strategy is aiming not only to expand and develop robotics, but also to use the industry as the panacea for most of Japan’s demographic and labor challenges. After all, the country for

some time has been grappling with an aging and declining population, as well as a shrinking employee base. Thus, robots are to be used both in a complementary manner (robotics helping humans) and in a substitutive way (robots replacing humans).

The New Robot Strategy aims at the gradual automation of just about everything: from agricultural equipment to automobiles, and disaster-relief services to robots in the food, cosmetics, and even pharmaceuticals industries.

The strategy also has a goal to expand “smart” factories—plants that are completely automated on all levels of production and operate around the clock, non-stop. Another focus of the initiative is expanding the role of service robots, with intermediate goals of seeing 30 percent penetration by 2020, and an ultimate target of 70 percent of such machines employed in the sector.

Could this target of achieving mass robotization across the various sectors be realized in the allotted time frame? Japan has a strong history of industrializing and expanding the world’s robotics market, but the strategy may be asking more than either the Japanese government or its people can handle by 2020.

## GALAPAGOS SYNDROME

Moreover, turning Japan into a “robot town” or honing Japan to become a global hub of robot innovation fits in with the recurring theme that Japan’s officials want its domestic companies to compete in robotics on the world market. And there is a good reason for this.

METI fears Japanese robotics may succumb to the so-called Galapagos syndrome—the technological phenomenon in Japan whereby electronic devices for the domestic market thrive, while the foreign market is almost non-existent.

The New Robot Strategy aims at the gradual automation of just about everything

To avoid such an eventuality, the ministry is seeking adherence to international standards—such as those of the International Organization for Standards (ISO), an industry norms-setting body. This ought to draw in high-end investment, allow international compliance, and expand Japanese robot exports to world markets that seemingly are becoming less reliant on them.

While technically voluntary, industry standards in this sector will be encouraged by the Japanese government. Indeed, robotics pioneers such as Cyberdyne Inc.—whose Hybrid Assistive Limb suit, invented in Japan, was the first system of its kind certified under ISO 13482 standards—are already paving the way. And although not explicitly



mentioned, meeting these standards could be contingent on future funding of research and development by the government of Japan.

Moreover, operating systems for robots will be standardized, while interchangeable parts will have more variety. Meanwhile, huge reliance will be placed on the expansion of big data and utilization of artificial intelligence.

METI's strategy essentially calls for Japan to concentrate all its economic might on revitalizing domestic industries through robotization. And, public-private partnerships will continue to be emphasized, with a focus on enhancing Japan Inc.'s ability—as a country—to compete globally.

### SOCIAL CHANGE

To METI, the creation of robot operating systems and middleware is “beyond the scope of any individual company.” Society itself must change, so that we can reach a point where humans and robots cohabit daily.

But greater societal integration of robotics is hard to conceptualize. As METI itself reports, Japan is facing a decreasing interest in science and technology (S&T), not to mention the difficulties governments generally face when attempting to execute social change.

Meanwhile, METI's strategy makes no mention of ethics or

society's reaction to the mass use of robots. How will robotization affect international competition, domestic labor unions, and peoples' general perception of robots?

These are critical questions worth careful consideration.

The New Energy and Industrial Technology Development Organization (NEDO) is Japan's largest public research and development management organization. Its *2014 White Paper on Robotization of Industry, Business and Our Life* suggests a practical approach to considering how society might accept increased robotics technology on all levels, and includes an admission that difficulties lie ahead.

Nurses in Japan, for instance, have noted they need help assisting elderly with their mobility, as well as with living independently and fighting dementia. Each of these has its own degree of human-robot interaction that varies, depending on the elderly person's general feelings toward, and knowledge of, robots.

Fighting dementia, for instance, will require patients to have a certain degree of trust and feelings for a robot. Robots that help elderly patients physically will also face certain hurdles regarding trust. Meanwhile, humanoid robots, such as Softbank's Pepper, are grabbing attention in today's retail market, but remain limited in what they can do for the elderly.

### WHAT IS TO BE DONE?

There's no doubt robotics technology will continue to expand in the world market. The level that visionaries see robots attaining one day is as optimistic as it was 30 years ago. With the explosion of big data and emerging opportunities for robotics utilization, productivity across various sectors could boom over the next decade.

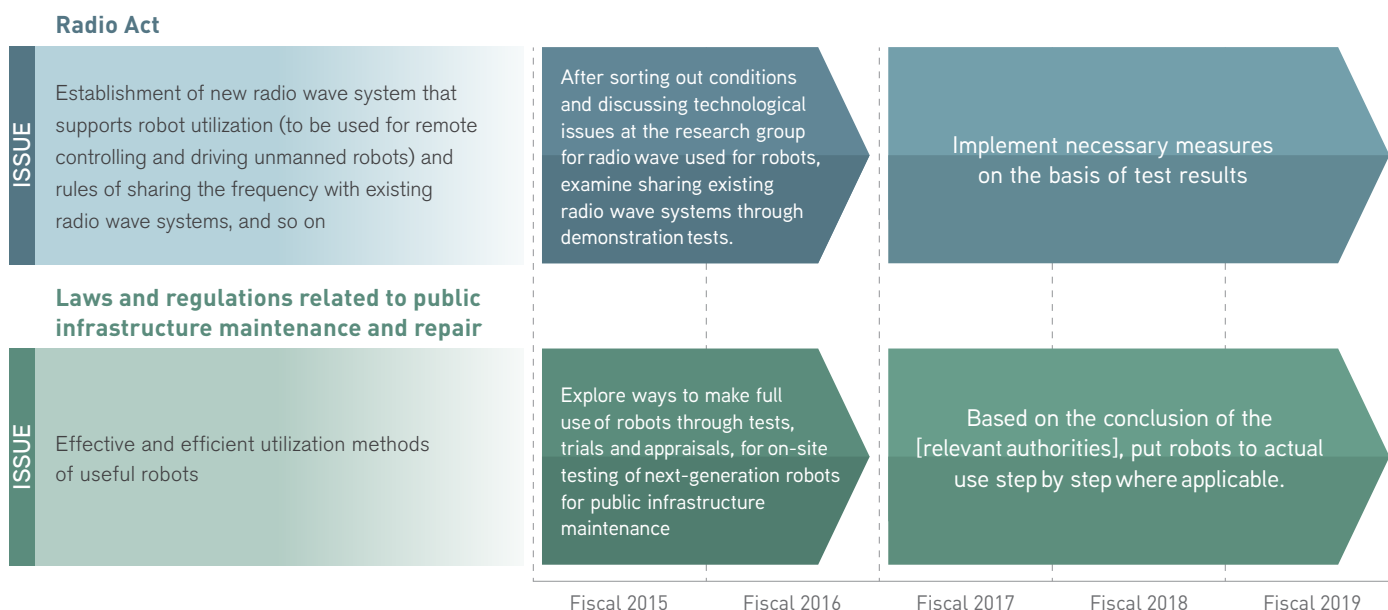
But the serious demographic and labor problems facing Japan today won't be solved simply by building more robots—certainly not to any reasonable degree by 2020. And, beyond the manufacturing floor, there are likely to be some intense debates about the evolution of human-robot interactions.

Robotics will evolve at a pace that meets the needs of industry overall, be it METI's strategy, NEDO's trajectory outlined in its white paper, or other S&T policy, such as that contained in the Ministry of Education, Culture, Sports, Science and Technology's 4th S&T Basic Plan (to be renewed this year).

Not just in Japan, but elsewhere, too, industries increasingly will rely on robotics coupled with big data and artificial intelligence in the coming years. And certainly robots can help mitigate several of Japan's woes—to an extent.

But, given the major reforms Tokyo must pursue regarding labor, security, and budget issues, Japan is unlikely to accomplish meaningful robot penetration by 2020, notwithstanding METI's and Abe's fervent wishes. ■

A Number of Challenges Remain, Including Legal and Regulatory Ones.



Source: The Headquarters for Japan's Economic Revitalization 10, 2, 2015

# THE KYOTO STARTUP HERO

Silicon Valley-inspired  
Japanese startup  
becomes international hit

Isshu Rakusai,  
global entrepreneur



By J. T. Quigley

Isshu Rakusai, 32, was always something of a computer prodigy. He taught himself to program at the age of 12 and launched his first startup, Kamilabo, when he was still a high school student in Kyoto. Its service, Kamicopi, “was like Evernote, but before the cloud,” he tells *The Journal*. By his second year of university, Rakusai licensed Kamicopi to Japanese software company Just Systems, maker of the country’s number-two word processing software, behind Microsoft Word. It became a hit, generating ¥300 million (\$2.5 million) in total sales for the company—of which Rakusai kept a percentage.

In addition to attracting his first big business deal, Rakusai’s early success also caught the attention of the Mito Project, a Japanese government-led initiative that provides financial support to young IT geniuses. Project manager Toshiyuki Masui, then at Sony Computer Science Laboratories, became Rakusai’s mentor. Masui was himself a star in the corporate tech world as the inventor of Sony’s predictive text input system for mobile phones. On a Japanese 10-key keyboard, his system is what suggests full phrases and Chinese characters based on typing the first character or two associated with it.

After completing his master’s degree in 2007, Rakusai relocated to Palo Alto, California, determined to start another venture. Kamicopi had been a hit in Japan, but he “wanted to make tools that would nurture creativity for global users.” He enlisted two developers back in Japan and got to work building new products as the CEO of the newly formed startup Nota Inc.

Around the same time, Masui had also relocated to Silicon Valley to take a job at Apple Inc. There, he was in charge of developing the Japanese input system for the iPhone and its own predictive text function. Still in contact, Rakusai lived with his former mentor for his first two months in California, while house hunting with his wife. Masui joined the budding startup as a technical advisor.

## KEEP IT SIMPLE

Over the next three years, Nota had some small successes, one in slideshow creation app Photo Peach, which Rakusai says is still bringing in money. But the startup struck gold in 2010 after Rakusai returned to Japan, with the lessons he learned in the United States in tow.

“In Silicon Valley, I learned the importance of keeping a product simple, so literally everyone from every culture can understand it,” Rakusai says. “That’s a problem in Japan, and something we should [teach] more here. Japanese products are often made for Japanese only.”

That October, Nota unveiled Gyazo, a cloud-powered screenshot app that would become the startup’s flagship offering. It allows users to share screenshots more seamlessly by instantly copying a custom URL to the user’s clipboard. The image link can then be pasted into an email, chat, social network, or elsewhere on the web.

Rakusai approached Gyazo’s launch with a take-over-the-world mindset that was honed in California. Instead of launching in Japanese first, he insisted on launching an English version at the same time.

“I knew that just translating the Japanese version to English wouldn’t work, so we made two completely different versions,” he explains. “We had a lot of discussions about making the copy and descriptions better. Our press release drafts were written by Masui, then cleaned up by a marketer we hired in the US, then discussed again. There were, and are, always many iterations when we put together a release or an update.”

Gyazo had its big break later in 2010, when celebrity developer Paul Irish name-dropped the service on his personal blog—[www.paulirish.com](http://www.paulirish.com). Irish, an American, is considered a world leader in front-end web development, particularly for Google Chrome. Rakusai’s product wasn’t rocket science, but it worked—and users started pouring in.

Available for Mac, Windows, and Linux, Gyazo is now complemented by an iOS app called Gyazo Shuriken which



syncs desktop screenshots with connected iPhones and iPads. An update last year also added the ability to capture GIFs, up to seven seconds long, by drawing a box around on-screen videos.

### HUMAN MEMORY MEETS SEARCH

The latest update to Gyazo adds in something called Ivy Search. Finding image files can be a major hassle, even when you've renamed them or added tags. You might recall a great photo of you on the beach in Okinawa, for example, but realize that it's hidden somewhere among hundreds of images in your unsorted "vacation" folder.

Ivy Search is removing the guesswork for Gyazo screenshots by combining metadata with a sophisticated association algorithm. When an image is captured, Gyazo scrapes the metadata, including the URL of the site it came from, the title of the page or document itself, what app it came from, its geolocation, and the date and time it was captured. Users can also add their own tags and descriptions to enhance searchability and draw additional associations.

Rakusai and Masui showed a sample search for "Kyoto." Gyazo's Ivy Search function returned images of the city itself, Nota's Kyoto headquarters, headshots of Kyoto University professors, and a bowl of ramen from a local Kyoto restaurant. Clicking the bowl of ramen then reveals a page full of ramen images, along with seemingly random images taken on that same day. Selecting one of the ramen images then reveals images of Tokyo, the city where that bowl of ramen originated.

The results mimic the way human memories work, the way we can recall moments associated with the mental image that pops into our heads when reminiscing about something. If you lose your wallet, for example, you immediately start going back through the places you visited and the people you saw around the time that you think you misplaced it, hoping for the location of the wallet to reveal itself.

"We nicknamed it the Gyazo Brain, because it suggests what's already in your mind," Rakusai says. "If you have a hazy memory that you saved an image on the same day that you went to a specific restaurant, searching for the restaurant could actually make it pop up."

Capturing such specific data could throw up some privacy flags, but Rakusai insists that the data is encrypted and only accessible by the uploader. Ivy Search is currently available for Ninja users (Gyazo's \$3 a month premium tier), but a limited version will also soon be launched for the free version.

# GYAZO



I learned the  
importance of keeping  
a product simple,  
so . . . everyone . . . can  
understand it

### TRULY GLOBAL

Nota was bootstrapped until last year, when the startup raised \$2 million from Opt, Yahoo Japan's YJ Capital subsidiary, and Miyako Capital, Kyoto University's investment fund. After closing its first funding round, Masui came on board full-time as chief technology officer.

As of June, Gyazo boasted more than 10 million monthly active users. Approximately 86 percent of them are outside Japan—an impressive feat for a Kyoto-Silicon Valley hybrid. It's made even more impressive by the fact that it has two powerhouse competitors back in California: CloudApp and Evernote's "Skitch" service.

"Users say things like 'I Gyazod it' or 'you should Gyazo it,'" Rakusai says. "I think very few services are used as a verb like Google."

A host of high-profile Japanese tech firms—including DeNA, Cookpad, Raksul, LINE, NTT Data, and Mixi—are already using an open-source version of Gyazo for workplace productivity. The startup is planning an enterprise version called Gyazo Teams.

"Gyazo Teams will be a [software-as-a-service] version of Gyazo," Rakusai explains. "Images will have completely private URLs so that people outside of the team cannot access them. We'll also provide custom domain names and logos if users want to share links with their customers."

Rakusai envisions Gyazo Teams being used for a variety of businesses, from development teams to user support. Instead of being told via email or text chat to click through a series of menus, Gyazo would allow support staff to make simple GIFs that actually show the process.

### KYOTO HUB

While Nota maintains a US office in Menlo Park, Rakusai is in no rush to leave behind the temples and gardens of Kyoto.

"At our size, I'm very satisfied to be in Kyoto," he adds. "It's easy to get talented engineers here, and most of ours come from Kyoto University. There are no big [startup] competitors, so it's easy to attract high-level students. Compared with Silicon Valley, I think the [standard] here is actually higher."

With his dreams of going global already a reality, Rakusai is content with being the local hero of the Kyoto startup ecosystem—at least until the serial entrepreneur gets his next big idea. ■

Nota's former office, a *machiya* (traditional town house) in Kyoto



# ASEAN: The Next Big Thing?

By Anthony Fensom

## ASEAN Economic Indicators

	2012	2013	2014	2015	2016	2017
Nominal GDP, US\$ bn	2,342	2,405	2,482	2,763	3,112	3,465
GDP per capita, US\$	3,837	3,893	3,972	4,372	4,871	5,368
Real GDP growth, %	5.6	5.1	4.7	5.2	5.2	5.3
Population, mn	610	618	625	632	639	645

Japanese companies are reportedly heading for the exits in China, but rushing into Southeast Asia. With the member states of the Association of Southeast Asian Nations (ASEAN) expected collectively to more than double their economy over the next 10 years, there are plenty of reasons to embrace the “next China.”

Slowing economic growth and surging labor costs have reportedly led an increasing number of Japanese companies to quit China. While more than 20,000 Japanese businesses are currently operating there, hundreds have left recently, hit by a weaker yen, a doubling of labor costs, and the end of China’s previous boom period of double-digit GDP gains.

Although Japan’s direct investment overseas hit a record \$135 billion in 2013, direct investment in China dived 33 percent to \$9 billion. In contrast, direct investment in ASEAN nations surged 120 percent to nearly \$24 billion, boosted by investments in ASEAN auto factories and the Bank of Tokyo-Mitsubishi’s acquisition of Thailand’s Bank of Ayudhya, according to the Japan External Trade Organization (JETRO).

Instead of China, Japanese companies ranging from apparel maker Flex Japan Co. Ltd. to copier company Konica Minolta Inc. are migrating to Southeast Asia, lured by the prospect of cheaper labor and access to growing consumer markets.

“We liked the characteristics of the people of Myanmar,” Flex Japan’s Toshihide Sakai told the *Nikkei*. “No riots, no strikes, no emotional outbursts. We also noticed that they tend to stick with the company.” Myanmar joined the 10-nation bloc in 1997, 30 years after it was founded.

In contrast with Japan’s latest round of modest wage increases, the minimum wage in the southern Chinese city of Guangzhou was raised by over 22 percent on an annualized basis in May, albeit still low at around \$300 a month.

However, it is not all about low wages. According to BMI Research, ASEAN’s collective

GDP will grow from \$2.4 trillion in 2013 to more than \$6.2 trillion by 2023, increasing at a compound annual growth rate of more than 10 percent. ASEAN’s share of global GDP is predicted to rise from 3.2 percent to 4.7 percent by 2023, with its share of world trade increasing from 5 to 6 percent.

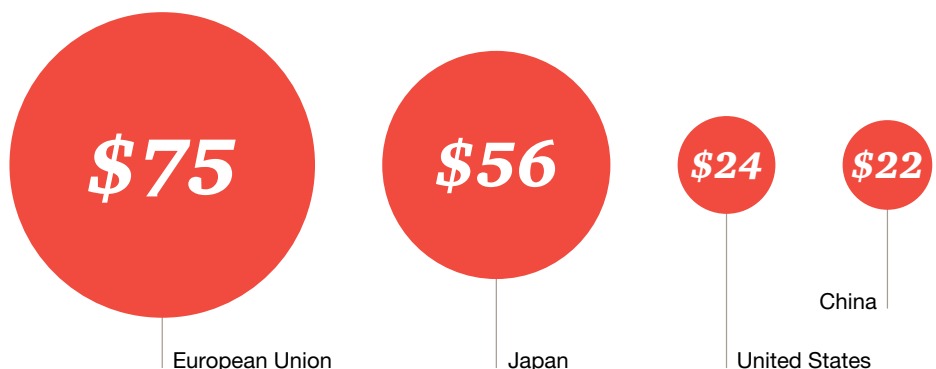
“Asia’s GDP will double, while ASEAN’s will more than double,” BMI Research’s Cedric Chehab said. “It’s quite difficult to find other regions with . . . growth prospects as [strong as those of] ASEAN.”

### NEXT FRONTIER

In a recent report, *Japan Rebooted—ASEAN, the next frontier: Tapping Southeast Asia’s surging growth*, professional services group PricewaterhouseCoopers (PwC) also highlighted Southeast Asia’s potential to become a central part of the future growth plans of Japanese and Western companies, particularly due to the region’s rapidly expanding middle class. Since the organization’s formation in 1967, the bloc of nations it represents has grown to account for 8.8 percent of the world’s population, and the world’s sixth-largest economy.

## Foreign Direct Investment, Net Inflows to ASEAN

2011-2013 in US\$ bn



Source: Association of Southeast Asian Nations (asean.org)



The economic and political association is expected to post average annual GDP growth of 5.6 percent through 2019, led by the Philippines (12.3 percent), Laos (11.8 percent), Myanmar (10 percent), and Malaysia (9.4 percent), and with Indonesia, Malaysia, and the Philippines the three biggest economies. Asia's share of the global middle-class population will also rise from the current 30 percent to more than half, with the number of households with annual disposable income exceeding \$10,000 set to reach nearly 64 million by 2020, according to market research company Euromonitor International.

Japan is currently the major source of foreign capital for Thailand and Indonesia, and the second-largest for the Philippines and Malaysia.

### AEC OPPORTUNITIES

The ASEAN Economic Community (AEC) was cited by PwC as another reason for increasing investment, despite speculation that economic integration will not be achieved by the target date: the end of 2015. According to the *ASEAN Business Outlook Survey 2015* published by the U.S. Chamber of Commerce and AmCham Singapore, just 4 percent of respondents considered it likely that the organization would achieve the AEC goals by the end-2015 deadline. Nevertheless, 66 percent of respondents said ASEAN markets would become more important to their companies' global revenues over the next two years, with 89 percent forecasting increased trade and investment over the coming five years.

ASEAN has nominated 11 priority integration sectors, comprising agribusiness, air travel, the automotive sector, e-ASEAN, electronics, fisheries, healthcare, rubber, textiles, tourism and wood. BMI Research sees major opportunities in the auto sector in Indonesia and the Philippines, which are expected to show strong growth in vehicle demand, with Thailand, Indonesia, and Malaysia expected to strengthen their position as manufacturing hubs.

The pharmaceuticals and healthcare industries will also benefit from integration, with ASEAN pharmaceutical sales expected to more than double by 2023 to reach \$50 billion a year. This will be aided by increased government investment in healthcare, rising incomes, and aging demographics.

Another key winner should be the region's consumer electronics, IT, and telecommunications sectors, particularly in Indonesia and Vietnam. Some 60 million

new consumers will gain Internet access over the next five years, especially in Indonesia. According to PwC, consumer spending will grow 45 percent between 2013 and 2020, leading to an estimated \$2 trillion consumer market by 2020. Spending on communications, education, and hospitality is forecast to grow by between 50 and 60 percent.

Nevertheless, investing in ASEAN is not without its challenges. The World Bank's 2015 survey on the ease of doing business in the region ranked Singapore top, but Malaysia 18th, Thailand 26th, Vietnam 78th, the Philippines 95th, and Indonesia a lowly 114th.

"While opening a subsidiary or regional headquarters in ultra-modern Singapore might pose few challenges, going further afield involves familiarizing yourself with cultural differences, business practices, logistical issues, and potential hiccups that can easily turn a good investment into one that struggles," PwC warns.

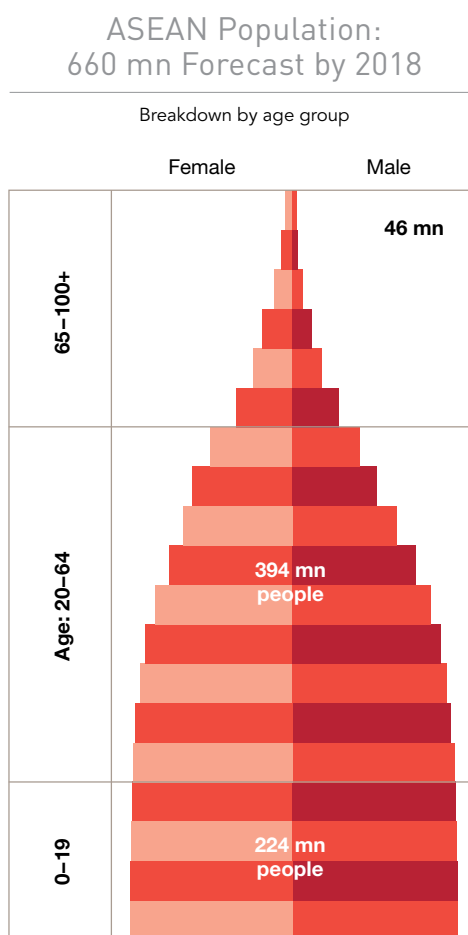
According to a JETRO fiscal 2013 survey, more than 70 percent of Japanese companies highlighted rising wages as a concern, with Indonesia's 17 percent rise in annual average wages topping the list, followed by Vietnam's 11 percent gain. Corruption, staff shortages, political and legal risks, and poor infrastructure are also seen as challenges, in addition to frequent bouts of political instability.

The JETRO survey shows that inadequate infrastructure was the biggest concern across ASEAN at 32 percent, although it was 70 percent for Myanmar, followed by political risks or problems in social conditions and law and order, at 25 percent. Exchange rate risk was only reported by 15 percent, despite

the effects of a weakening yen and rising US dollar.

Despite the challenges, PwC cited successes including Japan's special economic zone in Myanmar, Marubeni Corporation's and Mitsui Group's power investments, and rapid expansion by retailers such as 7-Eleven Inc., Aeon Co. Ltd., Lawson Inc., and Uniqlo Co. Ltd. For companies that have not already invested in ASEAN, the Japan Bank for International Corporation's Masaaki Amma suggests acquisition is now the "only solution," given increasing competition. Japan Post's \$5 billion acquisition of Australia's Toll Holdings Limited may be an example of such investment, with the state-owned company citing Toll's Asia-wide network as key to expanding its growth prospects.

With China's stock market tanking and economy slowing, as of this writing ASEAN looks an increasingly attractive prospect for Japanese and global businesses as full-scale economic integration fast approaches. ■



Source: IMF World Economic Outlook, US Census Bureau International Programs

# A Japanese 3.0 Renaissance Man for Global Good

By Dr. Nancy Snow

Ko Fujii may not appreciate this label. He's much too humble. After our first meeting, I thought this *kikokushijo* (returnee) is a Japanese renaissance man: “Mr. 3.0”—a connector of intelligence, technology, and people. Fujii is founder and CEO of Makaira K.K., a public affairs and stakeholder engagement company focusing on technology, culture, and social innovation. And he is former head of Public Policy and Government Relations for Google Japan.

My own Google Inc. experience extends to web searching “Japanese Renaissance man.” Up popped a tribute to the life of publisher extraordinaire Shigeo Minowa, who kept the Japanese virtue of *isogashii* (staying busy) intact. Minowa co-founded the University of Tokyo Press, one of the first non-US-based presses to become a member of the Association of American University Presses, and earned his doctorate at age 76 from Sophia University. He headed the Academic Service of the United Nations University in Tokyo, where he helped to set up the United Nations University Press.

Both men intersect passion for the United Nations Educational, Scientific and Cultural Organization (UNESCO), and Fujii waxes nostalgic for the now closed UNESCO Village in Saitama Prefecture. “The reason Japanese people love UNESCO so much is that it is the idea of ideals—to create world peace and unite the world through culture, science, and enlightening people with education,” says Fujii. Japan may be the country, other than France, where UNESCO is the most popular.

If you replace what publishing meant, in the 20th century, to Minowa's life with what the Internet means in the 21st to Fujii's life, then we have kindred spirits in enthusiasm and hard work to make Japan more global and socially responsible.

Fujii's professional experience leaves one breathless by its depth and breadth. Before Google, he worked at FleishmanHillard Japan where, in Tokyo, he represented some of the world's tech/non-tech companies as well as for-profit/nonprofit institutions. His areas of expertise and pursuits today include all things related to the Internet

and technological innovation in policy and practice, as well as place branding, public and digital diplomacy, civic technology, corporate social responsibility, and regional revitalization. Once I had met Fujii in summer 2014, I knew that Japan was on the right track with its talented visionaries.


Fujii is a Meguro ward-born Tokyoite who, at the impressionable age of 9, moved with his family to the Midwest region of the United States where he spent most of his elementary and junior high school years.

“I am a child of the 80s, a product of a specific era in the Japanese economy when Japan was on a trajectory to become one of the biggest global actors in the world. This was when everybody was going abroad to sell products, build factories, and do business; the first time that Japan really internationalized in the postwar era.”

Fujii won top-of-the-class awards in junior high, in subjects including cross-country, painting, poetry, and clarinet, and even won a science fair project award from the United States Air Force.

“It was really going well for me and so giving that up to return to Japan was a scary experience.” He adds that reverse culture shock was much tougher than the initial move to America. “Going to the United States was a matter of language. Once I learned English, I was basically fine.” Returning to Japan's education system and the rules and norms of Japanese society as a teenage *kikokushijo* was much more difficult.

From his parents' perspective, however, it made more sense for him to return to his home country in the mid-1980s for his high school and university years. This was the



Walking in the woods of Wisconsin, where Fujii camped as a child, and learned to navigate an international upbringing.



Vogelian “Japan as Number One” era (*Japan as Number One: Lessons for America*, by Ezra F. Vogel, 1979) in what was perceived to be limitless growth and prosperity. Now it was time for Fujii to sharpen up those Japanese language and communication skills.

His parents taught him to become a disciplined bilingual and bicultural individual. He was not allowed to speak English in the Japanese household, but his parents insisted that he speak proper English when interacting with his American friends. Because of his parent’s strict adherence to full linguistic and cultural immersion, Fujii was able to succeed in the Japanese school setting, just as he had in the American one.

“My parents demanded that, when I’m with my American friends, I act like a true American, and when I’m with my Japanese friends, I act like a true Japanese.”

I’ve joked before with Fujii that he seems more American [than Japanese], or even like a global citizen; now I know it’s because of his ability to adapt so well to the communicative style of his counterpart. He feels very committed to acting appropriately and responsibly to fit the setting, whether Japanese or global. It is his operating principle.

Japanese core discipline and commitment to excellence, strong parental guidance, with a global adaptability and openness to change help to explain Fujii’s goals to better the position of his native country’s place in the world. His parents raised him with the philosophy that “you never shy away from the most difficult problem.”

He seamlessly transferred his fast track success and achievements from America to Japan. A graduate of the

His parents raised him with the philosophy that “you never shy away from the most difficult problem.”

prestigious Kaisei Academy in Tokyo, he earned a Bachelor of Law degree from the University of Tokyo. His love for UNESCO ideas led to his joining the international department of the Ministry of Education, Culture, Sports, Science and Technology (MEXT), where he spent nine years specializing in international science, international copyright law, and technology promotion.

While a MEXT official, he was granted two years’

professional leave to earn an MBA from Northwestern University’s Kellogg School of Management, with a focus on marketing, as well as public and nonprofit management. His Kellogg education led him to advocate the need

for strategic PR and marketing in Japan’s government information campaign programs. This was unprecedented, in that to the Japanese bureaucracy, public relations and communications served as a dispensable sideshow to drafting laws and budgeting legislative projects.

“When I was in the government, that [communication] piece of science and technology was really missing. We never had enough programs to build public support for our undersea and space programs, or bioethics.”

Early in his career he thought, “Why isn’t anyone working on communications?” Everyone thought that communications was for the ad agencies or academics, so no one was really doing communications back then at MEXT.

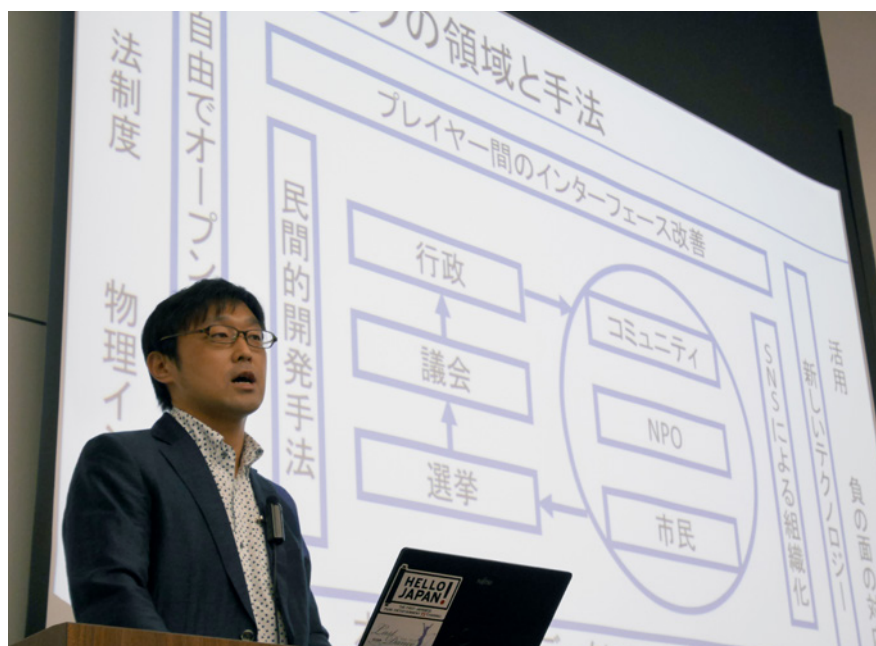
Fujii’s Kellogg years made him a key communications person. He understands the fundamental importance of integrating marketing communication into government

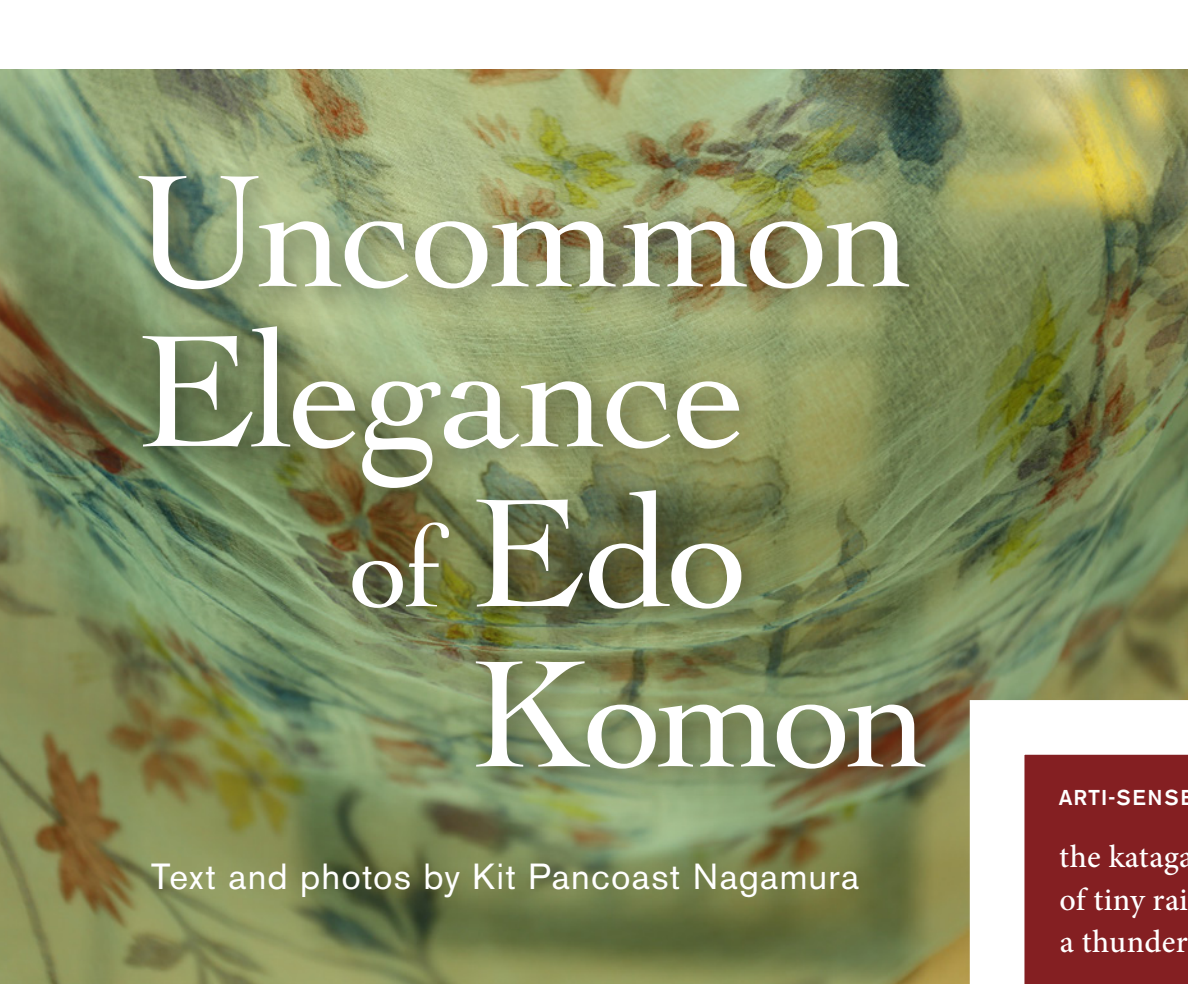
policy. Communication is “the circulation” for the idea; without it, nothing moves people to action.

Fujii remains true to two core missions: to improve Japan’s communications domestically and internationally; and to strengthen Japan’s abilities in international lobbying and negotiation, whether with a nonprofit or a corporate client.

But you can’t take the American boyhood out of the man: “Even now, when I land at San Francisco Airport, rent a car, turn the radio on, and drive up the 101 freeway, I feel I can do anything.” ■

Fujii speaks about the landscape of the civic tech community—where the power of technology is used to improve democracy and society.





# Uncommon Elegance of Edo Komon

Text and photos by Kit Pancoast Nagamura



ARTI-SENSE MONTHLY HAIKU

the katagami  
of tiny raindrops  
a thunder storm

Dye atelier Tomita Some Kogei has been located in Shinjuku Ward in Tokyo, near the Kanda Aqueduct, since 1914. Dyers used to rinse out their fabrics in the river rapids here until the 1960s, when interior facilities were mandated. Today, the atelier is tucked behind a wall and obscured by shadows from a trellis of lush and fruiting grape vines. If I weren't familiar with the workshop, it'd be easy to miss it.

But Tomita Some Kogei is all about beauty hidden in plain sight, I muse, stooping to pat the atelier's plump resident cat. For example, Tomita's most famous product is kimono fabric known as Edo Komon, resist-dye work achieved with stencils so intricately cut that the resulting patterns are virtually invisible from two meters away. The style evolved during the Edo Period (1603–1868), when laws governing luxury forbade the newly prosperous merchant class to wear ostentatious kimono styles, which were reserved for the higher classes. However, people found that they could pass under the radar with exquisitely detailed and subtly shaded Edo Komon fabrics which, when viewed from a short distance, appear undecorated. Only

close inspection reveals the fabric's profound refinement and extravagance.

Fifth-generation atelier owner, Atsushi Tomita (67), whom I've known for almost a decade, is quick to point out that the price for such a kimono today, compared with that of handmade haute couture dresses, is not ruinously expensive. "If you buy directly from us, the average kimono runs about ¥150,000," he says, with a shrug. The problem, he quickly adds, is that people don't wear kimono much anymore. "In fact, I'd say about 90 percent of all young women in Japan don't know how to dress themselves in kimono," Tomita says.

As we head to his office, I note that, somehow, Tomita doesn't appear distraught about the flagging kimono

business; instead, there's almost a spring in his step.

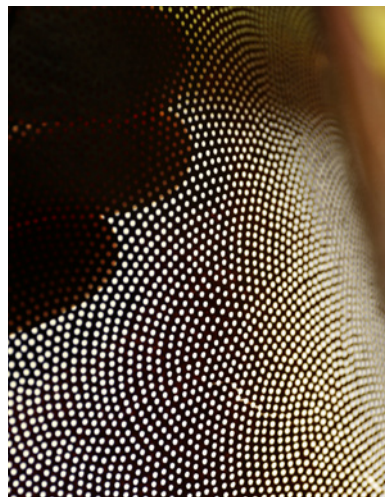
"As you know, my great-great-grandfather moved from Kyoto to Asakusa [in Tokyo], where our company opened near Senso-ji in 1882," he says. "Then we moved upriver, to this location, for cleaner water. Here, we've survived the Great Kanto Earthquake in 1923, World War II bombing, and many other hardships. But, as I watched the kimono lose popularity, I finally told myself I'd done what I could for the family business. I thought my ancestors wouldn't hold it against me if I quietly closed things down," he confides. "Plus, my son, Takashi, had gone off to see the world—Singapore and Australia—and I thought he'd never come home."

However, Takashi did come home. "Then, he announced at our New Year's gathering, in front of the whole family, that he would succeed me," Tomita says. "We were all in tears. He said that even if I quit, he would persevere, and be the sixth generation to head up our business. At that moment, I realized I have to work harder than ever to help this business survive."





The traditional artisans featured in this series have negotiated novel ways to survive, pushing their skills in new directions and devising methods to make their age-old products indispensable in a world of largely machine-made goods.



Necessity surely nurtures invention, but it's also a powerful elixir of youth, I think, as I watch Tomita present his current line of products. He unrolls elegant dyed silk ties and pocket squares, created from the same material traditionally used for kimono lining. The works are printed half with a subtle Edo Komon pattern, and half with Iware Komon, or slightly humorous patterns of animals or everyday objects. Tomita's product benefits from packaging created by 3D design expert Yuko Minamide, part of a collaboration sponsored by Tokyo Metropolitan Art Museum's Tokyo Crafts & Design 2012. The result is a chic product that doesn't compromise Tomita's traditional know-how.

"We're trying to appeal to senior men with these products," Tomita says. "After retiring, older guys tend to wear casual clothes—sweatshirts and stuff—but they should sharpen up a little. These items are for the rakish older guy, you know, the senior Casanova." I nod, knowing the type.

Next, Tomita unfolds a tunnel-woven gossamer silk stole dyed in the Sarasa style, a Japanese stencil-based version of Calico printing on silk.

Because the fabric is dyed flat, both layers of the funnel are printed at the same time; the resulting doubled image—slightly offset by movement when one handles or adjusts the stole—has a cinematic visual quality that is breathtaking. I'm ready to go into debt to buy it.

But Tomita is suddenly called to a meeting. He sends me off to the workshop area of the atelier, and I dash inside just as the heavens open in a heavy June downpour. Rain brings out the atelier's potpourri of old wood, deer fur dye brushes, and rice-based dye pastes. As a storm drums overhead, I enjoy watching one of Tomita's skilled artisans work on a 13-meter length of kimono cloth under the light of a single naked bulb.

The process of making kimono fabrics is complex and mesmerizing. Organic dyes are churned into steaming rice to make resist paste and sleek wooden spatulas are used to squeegee the pastes through

Only close inspection reveals the fabric's profound refinement and extravagance.

paper *katagami* stencils onto silk stretched on long boards. The stencils, made of layered *washi* (traditional Japanese paper) and reinforced with persimmon extract before being painstakingly hand-cut by highly specialized artisans in Ise City, are themselves magnificent works of art. Background dye colors are then

applied, and sawdust is gently sifted onto fabric so the layers don't stick together during the steaming process that sets the dye. Finally,

the cloth is rinsed in a miniature concrete "river" inside the atelier.

Several years ago, Tomita volunteered to have his atelier designated a Shinjuku mini-museum. Although it's hard to host guests at one's workplace—and, thus, appointments are requested and group fees apply—Tomita knows that the approximately 1,200 visitors he entertained last year now have uncommon knowledge of the Komon world. ■



Harumi Torii—as a mother, grandmother, wife, and social entrepreneur—has a life and career that defy simple classification. She has established a number of businesses and organizations, but is perhaps best known as the brain behind the Kids Earth Fund (KEF). This international non-profit organization was established in 1988 to promote peace and environmental conservation on a platform of children's art. Speaking to *The Journal*, Torii explains the motivation behind KEF, and touches on her career as an international businesswoman and agent of positive change. She also talks about her plans for the future, which include an exciting departure from her current activities.

#### Why did you start KEF?

It all started with love. Some 27 years ago, I opened a small kindergarten in Tokyo. With a young son—but unable to find a suitable school for him—I decided to start one myself. Such was the love I had for him. The idea was to create a school where children could learn by being themselves, being creative, and helping others. The concept was “children helping children.”

Volunteering was a key part of the children's education—from cleaning around the neighborhood, to creating artwork for other children in hospitals, or singing songs for people in retirement homes. Even the youngest of children can do some of this. From there grew the idea of using children's activities—especially their artwork—at the kindergarten to support and encourage other children around the world, not just in Japan. And that led to the creation of the Kids Earth Fund.

#### What are some of the activities supported by KEF?

As with the kindergarten, which I ran for 23 years, KEF works along the lines of helping children to express freely their feelings and creativity. This allows them to come to terms with any situation in which they may find themselves—be it having trouble at home, living the life of an orphan, or having survived traumatic experiences as a result of civil war or man-made or natural disasters. The tsunami in Tohoku and the nuclear disasters in Fukushima and Chernobyl, are cases in point.

# It all began with love

Harumi Torii on a road less traveled

Custom Media





Social entrepreneur Harumi Torii

In my experience, I have found that art is a great way for children from all walks of life to express themselves. A child who has been traumatized by war, for example, may not be able to speak about it but, if given a blank canvass and some colored pencils, amazing things can happen. The child can communicate their true feelings, which can help them come to terms with their particular situation. It is a kind of self-help therapy that they provide for themselves.



Harumi Torii at an art workshop in Nepal

### Where does KEF do its work?

We have worked with kids, teachers, and families from around the world, in some 60 countries and with over 10,000 children, and have created local chapters of KEF. Among these are 12 KEF houses around the world, including in Tohoku, Japan, as well as in Cambodia, and Croatia. We also have a branch in the US city of New Jersey.

The KEF houses provide workshops where children can collaborate to create artworks. We have children in Nepal, whom I have just visited, who are working on a canvass 6 by 3 meters in size. I did 10 workshops with those children and, as you can see in this photograph, they are painting on a map of Japan created by physically challenged people.



Painting by Harumi Torii's son

I have found that art is a great way for children to express themselves.

### Have you always had an entrepreneurial spirit?

Not at all. I once was an ordinary housewife. However, when I realized that my son's first experience of school would be more important than his last, even as I was not able to find a suitable school for him, I decided that I would have to go it alone. That was back in 1985. So the idea of KEF and the inspiration that led me to become an entrepreneur, grew naturally from a need that I, as a mother, felt on my son's behalf for his education and welfare.

### What are some of the challenges you have faced as an entrepreneur?

Since realizing that I cannot do everything by myself, one of the challenges has been finding like-minded partners—staff, as well as institutional and corporate partners.

But I know that, if I become sufficiently passionate, I can overcome such challenges and, because my career came to me naturally, I have found it to be easier than, perhaps, many people would have done.

### What advice would you give budding entrepreneurs?

Just take action. People always tend to think too much, worrying about resources or failure. Even if you fail, you will learn something. I failed so many times, but it was at those moments that I learned the most. They were my most important experiences. Had I had things easy, there would have been no challenge. That is precisely why being an entrepreneur is so much fun. To go from zero to creating something special, that is really wonderful; it really is a kind of beautiful art.

### Is there something else you would like to add?

Just that, in December, I'll turn 60—an important age in Japan. Having worked with KEF for all these years, during which time I have seen children create the most beautiful artworks, my next challenge, I've decided, is to become a professional painter. ■

### What happens to completed artworks?

The finished works serve to add color to the children's lives, building confidence in them, and raise funds in places where there is need. For fund raising, we partner with businesses and other organizations to hold art exhibitions, and launch products based on the artworks. The more than 100 products made include calendars, shoes, labels for wine bottles, hats, T-shirts, and books. We have held exhibitions around the world, in places such as the Pompidou Center in Paris, the Pushkin Museum in Moscow, the Mori Museum in Tokyo and, many years ago, even in Boston's World Trade Center. Wherever we go, we send out messages of peace and environmental conservation from the children through their art.

### How do people react to KEF projects?

Our exhibitions really touch people. Children's art is not just innocent; it is often amazing, beautiful, and even surprising. Not only are children concerned about the Earth and peace, but also about war and their inner feelings. In this painting, another child has drawn a gun but, instead of bullets, it fires flowers. Artistic representations such as this make people smile—and think.



KEF art exhibit in the United States

On **November 12**, KEF will hold a black tie fundraising ball at the **Grand Hyatt Hotel in Tokyo**, and an art exhibition by members of KEF Nepal. From the middle of **November to December 25**, the **Takashimaya department store** in Tamagawa in Tokyo will exhibit artworks by children from KEF houses around the world.



Ronald Henkoff, executive editor of *Bloomberg Markets*, a financial monthly magazine for and about professional investors, stopped off in Tokyo in June during a trip around Asia. Henkoff, who joined *Bloomberg News* in 1998 and became editor of *Bloomberg Markets* a year later, has guided the magazine—which has a global distribution of 375,000 subscribers—to more than 150 journalism awards.

In 2006, Henkoff himself won one of the most illustrious prizes in business journalism: the Minard Editor Award—given annually by the Gerald R. Loeb Awards to an outstanding editor. For more on *Bloomberg Markets*, the economic atmosphere in Asian countries, including Japan, and the latest trends in journalism in the digital age, *The Journal* sat down with Henkoff for a candid conversation.



Ronald Henkoff, executive editor, *Bloomberg Markets*

# Asia and the Digital Age

Interview with *Bloomberg Markets* Executive Editor

By John Amari

## What is *Bloomberg Markets* magazine?

It is a global magazine. Around the world, we have some 375,000 readers, most of whom are subscribers through the Bloomberg Terminal for finance professionals. We have around 41,500 subscribers who aren't Bloomberg Terminal users. And, if you look at the totality of our subscriber base, we have about 72,000 in Asia-Pacific.

## What brings you to Japan?

Once a year I come to Asia, where I visit major companies and economies. What brought me to Japan this time is this sense that there is a change in the dynamics of the economy, and Abenomics is beginning to take effect. You see it in the positive behavior and attitude of investors.

## What's your take on Abenomics and womenomics the latter being a term coined by Kathy Matsui of Goldman Sachs Japan?

It's interesting that you should bring up Kathy Matsui. Every year, we compile a list of the 50 Most Influential leaders and innovators. In 2014, we not only included her on the list, but we mentioned her on the cover.

In terms of womenomics, if you look at the demographics situation in Japan, I can see why the prime minister wants to

fully utilize the talent of the country, including women. And it's something that other economies around the world are recognizing—that, especially as the population ages, you should use all your resources.

## Where does *Bloomberg Markets* fit into the Bloomberg family of brands?

Bloomberg is a financial information and communications company. And it delivers information to people who, by and large, are involved in markets, which I'll get to in a minute. It's not an accident that our magazine is named *Bloomberg Markets*.

There's a real-time news service, called *Bloomberg News*. Everyone who has a Bloomberg Terminal receives *Bloomberg News*. If you take the whole of *Bloomberg News*, and



The July/August issue of *Bloomberg Markets* focuses on rivalries.



Bloomberg media assets around the world, it amounts to 2,400 journalists, 150 bureaus, and 73 countries.

*Bloomberg Markets* is the most closely allied with the Bloomberg Terminal readership—everybody who has a terminal gets the magazine, plus we have another 40,000 or so subscribers.

The other Bloomberg Media properties, notably the other magazine, *Bloomberg Businessweek* . . . is a weekly. It is more in the flow of the news, its readership is more concentrated in the United States, and it is also a global brand—*Businessweek* is more broadly targeted to business, whereas we focus more on finance.

Another Bloomberg Media product is, of course, the websites via *Bloomberg News*. But all our *Bloomberg Markets* stories actually run on the Bloomberg Terminal and on the websites as well.

Then there is Bloomberg Television; and there's Bloomberg Radio. Bloomberg also publishes a quarterly luxury lifestyle magazine called *Bloomberg Pursuits*.

#### What stories will be big in Asia in the coming months?

If you look at Asia broadly, the Association of Southeast Asian Nations Economic Community (AEC), [a body that seeks regional economic integration], is currently one. There is also tremendous interest in China. Its economy has seen incredible growth, and is now going through a calculated slowdown or rebalancing. It's just a question of how smooth or rocky that transition will be.

Then there is [the Trans-Pacific Strategic Economic Partnership Agreement (TPP)], which is another step in the direction toward more open trade. That is something we are watching; it looked a little touch-and-go for a while, but now it looks like it will happen. TPP is very important to Japan.

The other story in Asia, which we touched on, is . . . Abenomics. If you look at what's happening in the Japanese stock market, you know it had this tremendous run up and then it fell, and now it seems to be turning the corner; it looks like it's poised for growth again. So I think there is a lot of global investor interest in Japan and I think there is a real interest among our readers in getting an in-depth explanation and analysis as to what's going on.

#### What can you tell us about the editorial evolution of *Bloomberg Markets*?

The magazine started in 1992, with the idea that there was this machine called the Bloomberg Terminal that had all this wonderful information and all these fantastic analytical capabilities.

It was then called *Bloomberg Magazine*, and it literally put pictures of the Bloomberg Terminal on the front cover. It called itself a magazine, but it was really kind of a user's manual. By the time I came to Bloomberg . . . and became editor of the magazine, in 1999, it had already evolved into something a little bit more than a user's manual. But it had an eclectic and unpredictable mix of stories.



Bloomberg is animating stories online, including this one resembling a video game.



What we've set about doing is to recognize this great resource . . . which is 2,400 staff journalists

What we've set about doing is to recognize this great resource I was telling you about, which is 2,400 staff journalists—who are experts on particular beats around the world. We made the decision to put that kind of journalism into this magazine.

As we've evolved, we've also recognized that, as the printed word moves forward, the way you display it also moves forward. Graphics and infographics have always been important, but as we've gone along, I think they've become livelier, more informative, and we've tried to do the same with photography, and with illustrations.

If you look at [the July/August] issue, I mean, this is just a very creative use of art, and there are a couple of things in particular in here that are new for us, including a video game with a great online version. We call it "Krugman Battles the Austerians." This is Paul Krugman [a Nobel Prize-winning economist]. There's a manga-style graphic story in there, too.

Everything we do is based on reporting. We're not spinning stories. We go out; we find out what's happening; we do reporting. At the same time, we can present it in new and innovative ways. And the Krugman story has been a big hit, by the way.

#### Can you say something about print journalism in the digital age?

The important thing is to give people information—that's useful, engaging, entertaining—and the way you deliver that to them can differ. What we do is long-form journalism. Print is very suited to that.

[But] it's not the only way you can deliver [content]. We also have an app for the iPad edition, and we have partnered with Zinio [a multi-platform distribution service for digital magazines], where you can get an online version of *Bloomberg Markets* on any devices, including cell phones. As with the Krugman story, increasingly what we're able to do is online versions of stories that are more dynamic. ■

For the full interview, see *The Journal* online: [journal.accj.or.jp](http://journal.accj.or.jp)

# Hey Boss—Your Nightmare Begins Now!

By Dr. Greg Story

President, Dale Carnegie Training Japan



Here is a collection of indicators that should send a shiver down the spine of all employers in Japan. The average job securement rate of graduating university students in April 2015 was 97 percent. Keep in mind that this is already a relatively small pool of higher education talent from which we want to recruit. In 2013, only 50 percent of high school graduates went to university compared with the Organization of Economic Co-operation and Development average of 62 percent.

There is no major change in the offing though, because currently 99 percent of high school graduates found a job upon graduation. Official numbers also tell us that over the last 20 years, the number of 15 to 24 year olds has halved. Moreover, the number of Japanese turning 20 was 2.76 million in 1976; in 2015 it is 1.26 million. So youth recruitment demand is likely to outstrip supply, for the foreseeable future!

The required birthrate for stopping population decline is 2.1, but currently Japan is only at 1.43. Much more effort is needed here, obviously, but the prospects for a baby boom do not look promising. A recent Japan Family Planning Association survey stated that 20 percent of men aged between 25 and 29 had no interest in sex. Forty nine percent of married couples had had no sex in the month prior to the survey, and these numbers are climbing higher each year. Couples are marrying later, having fewer children, having less sex, and there are few prospects for resolution in sight. Japan, to put it simply, is not producing enough future workers.

Meanwhile, in 2014 the country accepted 14 refugees out of 5,000 applicants, and the debate about immigration into Japan hasn't even begun yet.

There will be little talent recruitment competition though from young people becoming self-employed entrepreneurs instead of joining companies. In terms of ease of starting a business, the World Bank noted Japan was ranked 120th globally. This is good and bad news for bosses, however, because Japan needs more innovation and risk taking.

The female participation rate in the workforce is at 62 percent—the figure for men is 81 percent, so that gap is closing. It will continue to improve, but how long will this

process take? Support for working mothers is still underdeveloped in Japan, so these changes won't happen soon.

In a bleak portent of our future hiring quandary, the latest job openings-to-job-seeker ratio for Tokyo is 1.65. The combination of fewer young people coming into the workforce is naturally going to make hiring youth talent so much harder. If we also take into consideration the large decline in young Japanese studying overseas, down over 30 percent since 2004, then the future talent pool of fluent English speakers also shrinks.

A recent survey of high school seniors found 58 percent don't like studying English. In 2013, Fast Retailing Co., Ltd. boss Tadashi Yanai picked up on this trend early when he commented that, "young people are comfortable with life in Japan. We promote things they despise—going global and studying English." The pool of the most attractive educated talent in Japan is drying up.

Foreign companies here tell us that even getting job applications from graduating students is proving more and more difficult. The students are getting multiple offers, and—even at the "job offer made" stage—the competition to actually get them on board is fierce.

Our troubles don't end there, though. We also know that 40 percent of new entrants are ditching their employer after three or four years and heading for greener pastures. So getting them and keeping them is only going to grow in importance.

When surveyed by the Sanno Institute of Management, young entrants into the world of work showed that they want to develop their skills (68 percent) and gain job security (52 percent). The survey also showed that more than half (76 percent) want to stay with their company until retirement.

Conversely, in the Japan Productivity Center survey, 30 percent said they would switch jobs for better working conditions. In that survey, the ratio of those who prefer a salary which is not tied to achievement and performance rose from 28 percent to 44 percent between 2013 and 2014. Uh oh!

Companies that invest in continually training these young people and their middle managers will do better in this talent war. The young demand it and their supervisors need it. How is your succession planning coming along? If you haven't confronted this issue yet, you soon will. ■

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# Creating Global Leaders in Japan

McGill's MBA gives students a competitive advantage



**McGill** MBA Japan  
Desautels Faculty of Management

■ [mcgillmbajapan.com](http://mcgillmbajapan.com)

In a world where competition in the job market is strong and candidates vie for a limited number of high-status jobs, it is the best qualified among them who are likely to win out and gain leadership roles in the private and public sectors. That said, for applicants in Japan, the ability to compete—and be successful—on the global stage is within reach.

The McGill MBA Japan program offers ambitious candidates a distinctive and innovative weekend MBA course, which prepares them for the demands and needs of international business, as well as to function more effectively when facing other challenges. At the same time, the MBA delivers the high standards that have always been the hallmark of McGill University.

## CANADIAN QUALITY

As part of the MBA, Canada's premier academic institution offers courses that are taught by visiting professors from its Desautels Faculty of Management in Montreal.

This was a deciding factor for Marina Sato, a Japanese national who has lived in Canada and is a member of the investor relations department of a global company.

"The McGill MBA Japan Program was very attractive to me because it offers the same program as in Canada," Sato says. "We get the same professors as in Montreal and study the same courses."

"It was important that the Japan program was not only using the McGill brand, but also providing the same quality of lectures from the best school in Canada—which is what I wanted."

## DIVERSE AND CONVENIENT

For Yasumasa Takenouchi, currently a deputy section manager of a company in the chemicals industry, the main attraction of the MBA, in addition to quality, is its convenience as a weekend course as well as its diversity: there is a mix of nationalities among faculty and students.

"I did not have to interrupt my career path," Takenouchi says. "Also, I felt that I could widen my perspective by taking an MBA with classmates [and staff] from a variety of countries and with diverse business backgrounds."

Sam Bird, a young executive in a multi-media company in Tokyo, expressed similar sentiments about choosing the McGill MBA program.

"I made my decision after attending the McGill Japan Forum and university party to welcome the New Year. The quality

and diversity of the alumni, and the positive feedback from current students, gave me confidence that investing my time and resources with McGill would pay off."

## CORE BUSINESS

With a campus in Shinjuku, one of Tokyo's bustling business districts, the McGill MBA Japan program covers a wide range of academic and practical courses over a 20-month period.

In the first year, students cover Integrated Core Courses, which include classes on Business Tools, Managing Resources, and Value Creation. The Case Competition, where MBA students from across Japan join in a friendly contest, forms the second element of this year.

The Integrated Second Year Program develops a student's managerial skills, equipping them with the necessary tools—including a globalized mindset—to lead a company or create one.

Students in the second year also take the self-study Practicum, with guidance from a professor, which has three options: an academic paper on management, research within a company, or making a new business startup plan.

A key element of the second year is the International Study Trip. For this year's trip, students visited McGill's very own home campus in Montreal, and sampled local businesses.

For Bird, "The International Study Trip to Montreal was a great experience. The trip allowed us to explore a city with a mixed European and North American culture, including its successful business models."

## GENERATION NEXT

In April 2015, the Ministry of Education, Culture, Sports, Science and Technology (MEXT) designated McGill University as a "location in Japan of a foreign university."

With this designation, students on the MBA course may transfer credits to other programs in the domestic graduate school system, and apply for scholarships offered by MEXT. The ministry's recognition also allows international candidates to apply for a student visa.

Now in its 15th year, the McGill MBA Japan program has over 500 alumni, in addition to a global network of 20,000 graduates. Working in tandem with its home campus, the program is creating the next generation of globalized leaders for the private and public sector. ■



# INSPIRING YOUTH, EMPOWERING THE FUTURE



A-JIS leads way in educating our children

■ [www.japaninternationalschool.com](http://www.japaninternationalschool.com)

**E**mpowering young people as they take their first steps into the world is an opportunity welcomed at Aoba-Japan International School (A-JIS). And in our fast-changing and interconnected world, the need for creative, self-assured, and globalized citizens has never been greater.

Since 1976, A-JIS has provided the next generation with the tools they need to grow and thrive in society. From primary and secondary (K2 to grade 12) to the International Baccalaureate program (PYP and MYP), our curriculum gives Japanese and non-Japanese students a strong yet flexible springboard into the world.

As Ken Sell, our head of school, says, "We provide an opportunity for both international students to understand the Japanese culture and context, and for Japanese to be able to look outwards: to give them all a good grounding in understanding different cultures."

At A-JIS, our students don't just learn how to learn; they also develop the ability to collaborate with peers of diverse backgrounds while developing a strong sense of entrepreneurship—indeed, we believe entrepreneurship is a social activity that strengthens both society and the individual.

While learning, collaboration, and self-development remain at the core of our aims as educators, at A-JIS we also believe in good health. By incorporating a playground, soccer pitch, basketball court, and a gymnasium in our recreational facilities, we ensure students have healthy bodies in addition to strong and creative minds. All this, naturally, is supported by an improved security perimeter to ensure safety.



Empowering the young at A-JIS

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# Peace of Mind

New Home Security Device Arrives in Japan

## netatmo

■ [www.netatmo.com](http://www.netatmo.com)

**E**nsuring the integrity of the home and safety of the family is something that every homeowner cares about. Whether it's making sure the kids are back home in good time, or that the babysitter is working responsibly, it is normal to want to know what is happening at your home when you are away.

The same would apply when checking on relatives—such as elderly parents—or friends who are staying over, as well as on other visitors, including people making deliveries. And when a stranger comes to your front door, it is only natural that you want to know who it is and why they are there.

Using a new face-recognition camera called Netatmo Welcome, homeowners in Japan, just as in Europe and in North America, are now able to monitor who comes in their home.

Made by Paris-based company Netatmo, the home security device uses the latest technology—until recently only available to governments and industry-related enterprises—to identify family, friends, and visitors at your home. The camera is further able to distinguish unknown faces from your family members and friends.

As the company's Chief Operation Officer Matthew Broadway says, "Up until now, this sort of face-recognition technology has been the preserve of governments, security services and major facilities, such as airports."

### SAFETY FIRST

The Netatmo Welcome connects a high-definition camera positioned inside the home to a mobile device—via a customized App—such as a smartphone, tablet, computer or Apple Watch.

Since the camera has face recognition technology embedded, it can recognize your family members or friends when they enter the premises and send an instant notification to your smartphone or smartwatch.

And when the Netatmo Welcome does not recognize a face at the door or inside your home, such as that of a stranger—or of someone who has not yet been identified—it immediately sends an alert to your mobile device.

Netatmo Welcome enables the homeowners—be they at home, work, or play—to enjoy peace of mind knowing their home is secure. As Broadway says, "The system is really useful in a whole host of ways. It's great for working parents who want to be sure that their children are home from school. It gives peace of mind."

"It's also extremely useful for people who are caring for elderly relatives and want to be able to make sure that they are safe," Broadway adds. "Then it can alert you when the cleaner arrived, that the babysitter is present, and so on."

Netatmo Welcome does not just enhance security while putting the homeowner's mind at ease; the device is particularly useful for people whose busy schedules mean they are always on the road—updates from the device ensure you stay in touch with loved ones back home.

### EASY TO USE AND SECURE

Slick and subtle, the Netatmo Welcome is fitted with 1,080p full HD resolution and night vision capability. Easy to set up, the user can identify unknown faces with a click in the App. When Welcome sees a face, it automatically takes a screenshot of it, which is accessible in the App. The user simply clicks on the picture and is able to give the person a name and to create a profile. From the App the user can also access past or live videos of various events.

The device is typically positioned to face the primary entry point of a home. And while it records the movements of everyone entering and leaving the home and transmits it to your chosen device, its in-built data storage system means only the user has access to its data—there is no cloud-based storage. The video storage on the included micro SD card is entirely free.

### AFFORDABLE AND AVAILABE NOW

What's more, Netatmo has managed to ensure that the unit is not only secure and effective, but also cost-effective. "No one has been able to develop the technology while keeping development costs at acceptable levels," Broadway says. "So this is an enormous breakthrough."

Netatmo Welcome is available in Japan—at ¥29,800 with no contract to sign or subscription fee—through Bic Camera, Yodobashi Camera, and Yamada Denki. The device can also be found at Tokyu Hands, the Loft and Amazon Japan.

For Broadway, Japan is a key and timely market for a device that both enhances security and supports family life. "Japan is going to be an extremely important market for us," he says.

"We know that the Japanese are very keen to make use of the very latest consumer technology. They are open to new ideas and technology, and are a nation of early adopters." ■

Chief Operation  
Officer of Netatmo,  
Matthew Broadway



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# BDCT—Helping Foreign Companies Enter Tokyo



■ [www.bdc-tokyo.org/en](http://www.bdc-tokyo.org/en)



BDCT facilitates business and daily living for foreigners in Tokyo.

For many foreign firms and entrepreneurs, the prospects of entering the Japanese market and establishing a business in Tokyo can be exciting. This is because the metropolis is a bustling and interconnected megacity, with potentially endless opportunities for new products and services. However, because of its vast size, the predominant use of the Japanese language, and the nation's business culture, Tokyo can also present newcomers with daunting challenges.

## LENDING SUPPORT

The Business Development Center TOKYO (BDCT) was established in part to help firms and entrepreneurs navigate their entry into the city. The BDCT provides a one-stop consultation desk to support foreign firms wishing to gain a foothold here.

"Tokyo is a major international city and there is a lot of opportunity," says Kazz Kinoshita, a consultant at the BDCT. "But some people are concerned about the barriers here, including the language barrier. At the BDCT, we eliminate most barrier-related misconceptions; our role is to make it easier for foreign companies to establish themselves in Tokyo."

Consultants at the center provide advice and hands-on support via face-to-face meetings, as well as by phone and email. They facilitate business networking and work-related matchmaking opportunities, including introductions to potential Japanese business partners, suppliers, and distributors.

The BDCT staff also facilitate introductions to professional service providers—such as lawyers and certified public accountants—in addition to helping companies find office space. That was the case for Masao Ohata, the Tokyo-based Japanese representative of a software company headquartered in Finland.

"Atsushi Sasaki at the BDCT not only helped us establish the company here, but also introduced us to an attorney's office, a tax

office, and so forth," Ohata says.

What's more, Sasaki provided Ohata with advice on how to apply for other products and services on offer, such as subsidies for recruiting costs. Indeed, as part of its one-stop service, the BDCT provides market research information, in addition to setting up and attending meetings between foreign firms and their Japanese counterparts.

Working in tandem with the BDCT, the Tokyo One-Stop Business Establishment Center (TOBEC), located in Akasaka district, offers a variety of services to companies and startups. TOBEC facilitates filing procedures required when starting a business, including those for company registration and notification of incorporation, taxes, social security, and immigration.

## GLOBAL KNOWHOW, LOCAL SUPPORT

Advisers at the BDCT provide support in English and Japanese. Moreover, they have international business experience coupled with comprehensive local knowledge.

Typically, businesses approach the center on the advice of either their embassies in Japan, or their home country's chamber of commerce.

As Hiroaki Kitano, Japanese representative of a Norwegian software developer says, "I was introduced to the BDCT by a lawyer at the Norwegian embassy in Japan. At BDCT, I was greatly assisted by consultant Kinoshita."

And, with each consultant having a different business background—such as IT, trading, aviation, real estate,

and tourism—the center caters to a broad range of business demands and industry needs.

Each expert also brings to bear their personal network, ensuring newcomers gain fast-track access to the local business community, which is a key element of the step-by-step approach to doing business in Japan.

## SPECIAL ECONOMIC ZONES

Since the 2013 launch of the National Strategic Special Zone (NSSZ) initiative, the BDCT has supported foreign companies wishing to take advantage of the scheme, which is designed to create a business-friendly environment in the city.

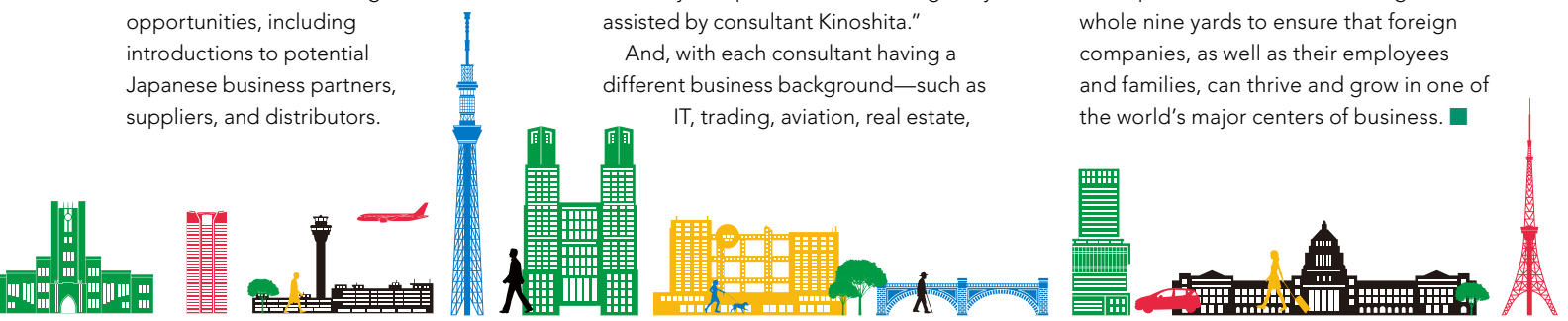
According to Sasaki, the center's chief consultant, "Our role includes promoting special economic zones in the Tokyo area. Of course, there are certain conditions for foreign companies to enter the area, but we provide support such as filling out the required forms, and setting up interviews with the relevant authorities."

The BDCT also supports foreign companies aiming to establish their headquarters in Tokyo—under the Special Zone for Asian Headquarters scheme, which was launched in 2011 and includes Central Tokyo and major business hubs such as Shinjuku and Tokyo Haneda Airport.

## FOR EXPATS, THEIR FAMILIES

An important part of the BDCT's service for foreigners is the valuable information it shares regarding day-to-day living in Tokyo. The center provides useful advice and responses to inquiries, including queries of an administrative nature, and information on everyday concerns such as hospitals with multilingual capability, as well as introductions to international schools.

Established with the goal of making it easier for foreign companies to enter the Japanese market, the BDCT goes the whole nine yards to ensure that foreign companies, as well as their employees and families, can thrive and grow in one of the world's major centers of business. ■



# AMERICA-EUROPE COLLABORATION SPECIAL

What opportunities do you envision for American and European companies collaborating in Japan?

Trust us to help you achieve your business goals.



“ Abenomics, Prime Minister Shinzo Abe’s strategy to boost the economy and reform corporate structures, is laying the foundations for attracting and facilitating foreign direct investment into Japan, especially from Europe and the United States.

With Japan’s economic revival, and the 2020 Olympic and Paralympic Games just around the corner, the stage is set for a new and fruitful period of partnership between American, European, and Japanese

companies. In these exciting times of new opportunity, you’ll always find a ready and able partner in us. ”

**Shigetsugu Kawasaki**

Partner, certified public tax accountant  
Chiyoda Partners Tax Corporation

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We all need that arrow of deregulation to be unleashed, to realize the full potential of the Japanese economy.



“ Prime Minister Shinzo Abe’s third arrow is looking in pristine condition, because it hasn’t been fired yet. We all need that arrow of deregulation to be unleashed, to realize the full potential of the Japanese economy.

Domestic political pressures come from the usual suspects, resulting in gridlock and doing nothing—the normal outputs of the Japanese political system—when contentious issues arise. Weighing in with support for the third arrow

innovations is critical, and this is where the combined voice of European and American companies—and their industry bodies—can have impact. In other words, a big voice is needed! ”

**Dr. Greg Story**

President  
Dale Carnegie

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Global organizations doing business in Japan from Europe and the US need world class IT-managed services support.



“ A number of global organizations doing business in Japan from Europe and the US need world class IT-managed services support. In the IT industry, we see global retail chains expanding here, global banks requiring hands-on support for specialist tools, and global service providers outsourcing to in-country hands-on local knowledge.

All this requires specialist collaborative capabilities in order to run multiple projects for stakeholders

domiciled in Europe and the US. Going forward in the 21st century, Japan continues to benefit from the competition and innovation enabled by collaboration that overcomes its physical isolation—after all, electrons don’t respect borders. ”

**Robert Corrigan**

Partner, ITMS Division

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# AMERICA-EUROPE COLLABORATION SPECIAL

What opportunities do you envision for American and European companies collaborating in Japan?

We need to provide our children with the tools and confidence needed to thrive around the world.

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In a fast-changing and interconnected world, we need to provide our children with the tools and confidence needed to function and thrive beyond cultural barriers and geographical borders. At Gymboree Play & Music, collaborative and creative play is at the core of our approach to learning.

With over 550 locations in over 30 countries—and a goal of expanding our franchise across Japan—Gymboree is not only a global leader in classes for kids in a safe and international

environment; we are also shaping the next generation of happy and self-confident global citizens.”

**Nicole Yamada**

Vice-President  
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Close cooperation between the US and Europe at senior levels of trade and government is needed to thrive in Japan.

“

The US and Europe both excel in new tech. Whether it's Silicon Valley, London or Paris, bright engineering graduates are founding startups and leading the world in innovative, disruptive technology. Japan is a key export market—a large nation of early adopters where the right product can quickly find the early majority.

But while consumer conditions are right, Japan is fiercely competitive and barriers to entry are high especially for foreign firms who find that the playing

field is not entirely level. These obstacles are the same for new entrants from Europe and America, and close cooperation at senior levels of trade and government are the best way to address them.”

**Matthew Broadway**

Chief Operation Officer  
of Netatmo

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Spring is introducing candidates with international mobility and high technical skills.

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Japan is among the few industrialized nations not to have experienced a large influx of immigrants in the post World War II period. With multi-decade economic expansion culminating in acute labor shortages of skilled professionals, the government tried to address this problem by adopting a points-based system for working visa allocation in 2012.

There has been a growing demand for recruitment services for technical professionals from Spring Professional.

In collaboration with our offices across Europe, the US, and Asia, Spring is helping to address this shortage by introducing candidates with international mobility and high technical skills to companies in Japan.”

**Lanis Yarzab**

Managing Director  
Spring Professional

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- 1** Tim Brett (center), representative director and president of Coca-Cola Japan Co., Ltd. and ACCJ Governor—Tokyo at the 2015 ACCJ Women in Business Summit.
- 2** From left: Chubu Women in Business Committee Chair Erin Sakakibara, Akihiro Furuta, president of AskAt Inc, Japan, Yoshiro Kawamura, managing director of the HR Division, Oak Lawn Marketing Inc., and Chubu Women in Business Committee Secretary Nao Geisler at the Chubu Event “Diversity and Inclusion for Innovation” at Hilton Nagoya on June 4. (Photo by Andy Boone)
- 3** From left front: Rose Tanasugarn, chair, Living in Kansai Committee; Stephen Zurcher, chair, Business Programs Committee-Kansai; Akio Matsumoto, member of External Affairs Committee, Women in Business Committee-Kansai; George L. Maffeo, president, Boeing Japan K.K., Vice President, Boeing International and ACCJ Governor-Tokyo; Laura Younger, executive director, ACCJ; Shun Okuno, member, Business Programs Committee; Makoto Kawai, chair, External Affairs Committee-Kansai
- 4** Asia Pacific Council of American Chambers of Commerce (APCAC) delegates present Congressman Charles Boustany with the APCAC Award during the annual APCAC Washington, D.C Doorknock - June 2015.  
 From left: Mark Gillin, Steve Okun, Congressman Boustany, Jackson Cox, Laura Younger, and Allan Smith

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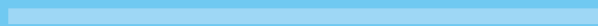


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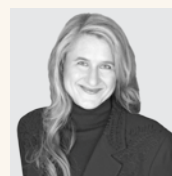
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# Highlighting a New Task Force and Supporting the Broader Community



PRESIDENT

Jay Ponazecki jponazecki@accj.or.jp

**A**mong this year's many American Chamber of Commerce in Japan (ACCJ) events and initiatives, I would like to highlight the recently established Japan Structural Reform Task Force (JSRTF), led by ACCJ Chairman Christopher LaFleur and ACCJ Governor Arthur Mitchell.

While everyone is familiar with the term Abenomics, the exact nature and tangible points of progress of its growth strategy, and particularly its structural reform component, the so-called third arrow, are often not as well understood by even the most strident followers of business and economic news. The JSRTF is working with ACCJ members and external parties to demystify the third arrow and to share its findings in a report.

One such external party, an inaugural class of ACCJ Fellows, graduate students at the Inter-University Center, was selected earlier this year to supplement the task force's efforts, researching often very recondite areas of the structural reforms.

ACCJ committee leaders are also involved, helping to guide the Fellows, nurture this next generation of leaders in the US-Japan relationship, and fashion a comprehensive report on some of the progress of the structural reforms. I hope all committee leaders with a stake in the success of Abenomics will play an active role in helping compile this report.

Furthering its mission to elucidate, for ACCJ members, the structural reforms introduced by the administration of Prime Minister Shinzo Abe, the JSRTF is scheduling speaker events with leading business experts, including—just last month—Morgan Stanley MUFG Securities Chief Economist Dr. Robert Alan Feldman and Goldman Sachs Managing Director and Womenomics pioneer Kathy Matsui. Please look for more programs and content from this task force.

## SUPPORTING LOCAL BUSINESSES

In addition to supporting ACCJ members whenever you can, please support local businesses. We present speakers and guests with ACCJ *senbei* (rice crackers) made in Tohoku by TWHY TWHY, which was founded by Takako Endo in 2008.

The sake barrel used at this year's Tokyo *shinnenkai* (New Year welcoming party) came from the award winning Daishichi Sake Brewery in Fukushima Prefecture. Each speaker at the 2015 ACCJ Women in Business Summit received a bottle of sake from Masuichi-Ichimura Sake Brewery in Obuse, Nagano Prefecture. The brewery's managing director is Sarah Cummings, the first American female sake brewer in Japan.

Takashi Endo, a member of the House of Representatives from the Senshu district in Osaka, recently introduced us to the high quality blankets and towels made by local craftspersons in his district, and we are considering ordering ACCJ-branded towels using cotton imported from the United States.

## INTERNSHIPS FOR JAPANESE COLLEGE STUDENTS

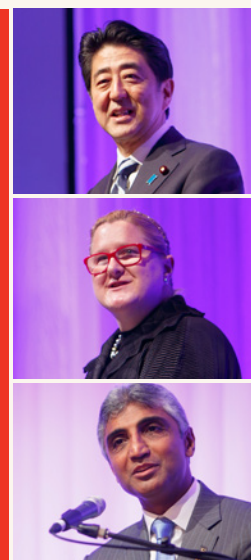
I recently visited Gunma Prefectural Women's University, which is keen to establish an internship program so the students can better understand what it means to work for a company. If you have business operations in Saitama, Gunma or Niigata Prefectures and would like to host an intern from this university, please let me know. We need to keep finding ways to support and encourage the next generation of women and men who will soon be entering the Japanese workforce. I welcome your recommendations on how we, as a business community, might do even more. ■



## DON'T MISS A SINGLE VIDEO!

Are you wondering when the next **ACCJ event video** will be released? Subscribe to the **ACCJ YouTube channel** to receive an automatic update whenever a new video is published. Between archived footage and videos from the latest events, we share content that you won't want to miss.

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# 2015 ACCJ Women in Business Summit

## Call for agents of change

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From left: Michiko Ogawa, director, Technics Business Promotion; managing officer, Appliances Company; executive officer, Panasonic Corporation; Satomi Matsumura, executive officer, Meiji Yasuda Life Insurance Company; U.S. Ambassador to Japan Caroline Kennedy; Prime Minister Shinzo Abe; ACCJ President Jay Ponazecki; Sayaka Osakabe, founder and representative, Matahara Net; and Haruno Yoshida, BT Japan Corporation president, representative director

It is time to build on the momentum to empower women in Japan, and individuals have the potential to make an impact by taking action. This is the key takeaway for attendees at the 2015 ACCJ Women in Business (WIB) Summit, organized by the American Chamber of Commerce in Japan (ACCJ).

Delivered by WIB Committee Co-chair Elizabeth Handover (page 47) in her opening welcome, this inspiring message was echoed by headline speakers and during panel

### It is time to build on the momentum to empower women in Japan.

discussions and workshops. Moreover, throughout the day, the air crackled with energy as men and women enthusiastically shared their recent achievements and hopes for further workplace improvements.

According to Handover, there is certainly a lot to celebrate, not least is the success of the WIB Summit itself. Albeit just the third annual summit, the event—held on June 29 at the ANA InterContinental Tokyo—attracted some 700 supporters of diversity, representing industry, government, and academia, and including a host of high-profile leaders and experts.

ACCJ President Jay Ponazecki commended Prime Minister Shinzo Abe for including Womenomics in his growth strategy, and for his pledge to have women in 30 percent of management positions by 2020. This, Ponazecki says, has resulted in widespread awareness of the issues that diversity entails, and the acceptance of Womenomics as a core component of fostering economic growth. As a result, public support for the empowerment of women is rising. On reflection then, the mind set change sought by attendees at WIB Summit 2014 has taken place.

U.S. Ambassador to Japan Caroline Kennedy agreed that she had also seen change in Japan in this

area since she assumed her position 18 months ago.

Yet, despite the progress made, Ponazecki says many companies are still asking fundamental questions, such as how one might convert strategies into measurable results. To ensure that real and measurable change continues and momentum is maintained, she called for “further collaboration between government—at national, prefectural, and local levels—and private-sector companies, with cooperation from female professionals, their families, their work superiors and subordinates, and HR and talent management professionals.”

A key part of the ACCJ’s mission, the summit also supports the development of the ACCJ’s white paper on the empowerment of women in Japan—*Toward the Japanese government’s goal of 30% women in management positions by 2020: A Collaborative, partnership-based blueprint for Japan* [provisional title]—which is due to be launched following the event.

“Today’s summit will raise the bar even higher for showcasing the three pillars of the ACCJ: making practical, solutions-based recommendations to help address and overcome challenging circumstances; sharing information and global best practices; and bringing people together,” Ponazecki said.

Kennedy congratulated the ACCJ on the upcoming white paper, which she says will take “a practical approach in outlining necessary reforms that will benefit all workers.” The modifications include increasing productivity through merit-based evaluations; outlining the value of mentoring programs for men and women; greater transparency in the hiring and promotion of managers, not just directors; and tax code changes to level the playing field.

“Further debate [on each of these issues] is needed here today and beyond, to make sure that [the issues] are embraced and implemented,” she said.



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Kennedy added that change will not happen unless there is broad-based public support and strong demand. She echoed Ponazecki's words urging attendees to become "agents of change" and think of the actions they could take to convert core strategies into measurable results.

"All of you in this room can and must play a vital role," Kennedy said. "We have a moment of opportunity that we can't take for granted."

She shared examples of American women who overcame obstacles to achieve remarkable success. "As we look ahead to the empowerment of women in Japan and the United States, we know we have a long way to go, but there are people to help us, to inspire us, and to lead us at every step," she said.

This idea of role models was emphasized throughout the summit. Joining the opening panel discussion, Abe congratulated the female panelists for their achievements, pointing out the courage they have shown.

Abe says women can improve productivity, while support should be given to achieve a work-life balance that enables both fathers and mothers to help with childcare.

"We want to realize a society in which women shine on a global scale," he said. Diversity is important in all aspects of society, he continued, adding that he is pleased to see a diverse audience, since men generally represent 95 percent of the individuals he addresses.

Men, too, have an important role to play, however, according to Masako Mori, former minister in charge of Support for Women's Empowerment and Child-Rearing.

She was fundamental in introducing—from Australia—the concept of Male Champions of Change, which was showcased in a panel discussion.

While it is important to learn from Western countries, the policies adopted must fit Japanese society, Mori told *The Journal*. Thus, since Japanese society considers it virtuous for women to support men, it is better that men should take the initiative in supporting women's empowerment rather than feel compelled to do so by women.

Mori supported a meeting between an Australian male champion and his Japanese counterparts to share learning, as well as meetings between men's and women's networks.

"In the past, women's issues were seen as human rights issues, but we have presented them as also being economic issues," Mori said. "The virtue of the Japanese is that, although it takes time for them to be persuaded, once they are, they are really serious about solving the problem. That's why I think there will be acceleration [in the number of male champions of change and women in executive positions]."

Speaking on the Why Men Matter panel, Twitter Japan's Yu Sasamoto says limiting its Super Women at Twitter program to women only made people feel isolated but, once men could join, the program became active.

Other issues raised in this session included the promotion of inclusive workplaces by changing working styles, the use of female mentors for men to encourage understanding of diversity, and the availability of mentors for women.

Not only did the summit show actions that could make a real

difference to women in the workforce, but it also offered practical advice.

Daiwa Securities Group's Keiko Tashiro, a panelist in the Learning from Women in Leadership session, says attendees should become talent the company has to retain, while being assertive will nurture followers and supporters. Likewise, Gap Japan's Erin Nolan, a panelist on the session entitled A Path to Creating and Maintaining a Strong Pipeline of Diverse Talent, says knowing your goal and having a mentor or supervisor to talk to about it is vital. She joined the company as an assistant store manager in 1991 and assumed the role of representative director of Gap Japan K.K. in 2014.

"Be open-minded to opportunities," she told *The Journal*. "I think it is very important to learn, whether in a new role or by taking on a new challenge in your current role."

Training in the form of workshops was also offered. These covered win-win negotiation strategies for women and how to develop diverse work styles. One moderator, Lumina Learning's Aya Usui, is an example of how the summit is making an impact.

"Last year, I was a participant, so the education I gained was really for myself," she told *The Journal*. "This year, I feel that people are really encouraged and get confidence from doing our workshop; it is great for me to see their faces change."

A female leadership trainer, Usui localizes the programs she offers in Japan by adding more confidence-building components to change women's mind sets. She says men should provide the same support

and opportunities to women that they have given to their male colleagues in the past. She also called for more positive female role models in the media. Yet, as her fellow speakers, facilitators, and attendees say, it is perhaps women like her working for change at the grass roots level who are the best role models for Japanese society. ■

Yukari Inoue, managing director, Japan and Korea, Kellogg Company, non-executive director, JC Comsa Corp., Suntory Beverage & Food Ltd., speaks at the Why Men Matter breakout session.



"All of you in this room can and must play a vital role."

PHOTO: IRWIN WONG





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# 2015 ACCJ Women in Business Summit: Strategy into Actions

By Elizabeth Handover



It's 9:10am on Monday, June 29 as I step up onto the stage and gaze out at a sea of 700 faces. As master of ceremonies (MC) for the 2015 ACCJ Women in Business Summit (WIB Summit), I feel a calm confidence and conviction that, throughout this day, we will deliver on our promise: showcasing people and organizations taking actions, driving through measurable change, and making a real difference to the experiences of women in the workforce.

Among the many faces before me, I believe there is an increasing number who will use the WIB Summit as a call to action. Jay Ponazecki, president, American Chamber of Commerce in Japan (ACCJ), echoes this in her opening speech by throwing down the gauntlet.

"Your job—starting today—is to be an agent of change. Throughout this summit please think about the role you can play and the actions you can take," she urges.

On this day, I am encouraged at every step. Just a year on from our last summit, it is clear that change is taking place in Japan. We hear about this from speaker after speaker.

Looking relaxed and pleased to have a stellar cast of diverse women leaders on stage with him, Prime Minister Shinzo Abe positively bounces onto the podium and tells the audience that, "The government of Japan will make visible the companies who promote women."

Haruno Yoshida, CEO of BT Japan and the only female Keidanren (Japan Business Federation) board member, reveals that when one of the 1,300 Keidanren member companies presents numbers on women promoted, the other organizations feel pressure to do the same. Her conviction, shared by US Ambassador Caroline Kennedy, is that, "Change may happen earlier than expected."

As Abe leaves us with a commitment to take action based on the "homework" he has been given to do by the panel, imagine my delight when, after the morning breakout sessions, I find myself introducing a panel of Male Champions of Change—a first for the WIB Summit. Kathy Matsui, head of Asia Research, Goldman Sachs, and author of *Womenomics 4.0: Time to Walk the Talk*, expertly moderates the group.

Panel member Yoshiaki Fujimori, president and CEO, LIXIL Group Corporation, says: "We made a public commitment to bring in 30 percent new female employees every year. Our promotion is based on equal opportunity. And, we give lots of leadership training."

David Smith, president, Johnson & Johnson K.K., Vision Care Japan, praised the Male Champions of Change initiative as a change driver for his company. "We are committed and transparent, so we can easily access information and education from each other. Every time we meet I feel inspired to take more actions."

**I look back at the day and know that my confidence and conviction was well placed—today has been a success.**

Sachin Shah, director, representative statutory executive officer, chairman, president and CEO, MetLife Japan, was even more candid. "Sometimes, it's just about changing simple practical barriers. We had a daily 9:00am meeting. This was an impossible requirement for women dropping off small children at day care. We changed the time to 9:30am. Small steps can bring big results."

Yoshihisa Aono, CEO and president, Cybozu Inc., is a champion of maternity leave and childcare. "I changed my company rules to increase maternity leave and have shorter working hours. Now, 60 percent of our new employees are women. I also saw that women are scared to take maternity leave. I realized that men must also take leave and that I needed to be a role model. Since my 3rd child was born, I now leave the office every day at 4:00pm."

After lunch, I have time to take a break from my role as MC. I sit in on both afternoon breakout sessions and workshops, which have been my responsibility to co-ordinate. Particularly complex in its design is the workshop, Performance Essentials—Developing and Leveraging Diversity of Work Style. It includes big group interactive exercises and a team of five facilitators acting out real-life workplace scenarios, which participants greet with the laughter of recognition.

The workshop entitled Career Essentials—Successful Win-Win Negotiation Strategies for Women elicits a different, albeit intense, audience engagement. With many women's leadership styles preferring a collaborative negotiation approach, participants are intent on practising and gaining the confidence to try the skills out at work.

It is 5:15pm. I am back on the stage, gazing down at a room transformed into a cocktail reception venue. A good percentage of our audience are still here to celebrate with us. I look back at the day and know that my confidence and conviction was well placed—today has been a success. I wrap up.

"We have seen a day with an amazing array of takeaways, of practical advice, of clear actions and solid commitments. Today we have seen and heard that change is in the air." ■

Elizabeth Handover is Co-Chair, Women In Business Committee

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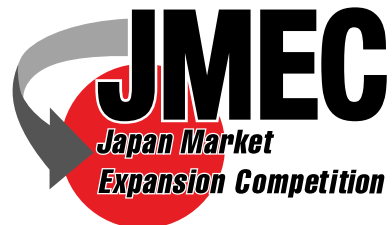
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# A Force for Change

Fumiko Hayashi, mayor of Yokohama,

ACCJ 2014 Person of the Year

By Deborah Hayden

**Hayashi is bold. She is not bound by convention.**

Fumiko Hayashi speaks at the ACCJ 2014 Person of the Year Ceremony.

**"O**h, it can't be done.' 'What if private companies go bankrupt? The daycare centers will close.' They just told me the negatives," said Mayor of Yokohama Fumiko Hayashi on the challenges she had to overcome to increase the number of daycare centers to help mothers get back to work.

During an entertaining speech in early July at the American Chamber of Commerce in Japan (ACCJ), where Mayor Hayashi was named ACCJ 2014 Person of the Year, she showed how to get from *muzukashii* (it's difficult)—a common refrain in Japan—to it can be done.

Hayashi is bold. She is not bound by convention. She is not afraid to take risks. And she knows what she wants. She has not only succeeded in a so-called man's world, but she has changed it. She has empowered women, and as Mayor of Yokohama, she has paved the way for local governments across Japan to make it easier for women to gain access to childcare, and move back into the workforce.

Her stellar corporate career is well known. She worked at Honda for 10 years, and then BMW, before being headhunted by Volkswagen, where she rose to the position of president of the Japan operation in 1999. She returned to BMW Tokyo as president in 2003. Two years later, she was at Daiei, a large Japanese retailer, as chairperson and CEO. Later, she moved to Nissan as operating officer, before being promoted to president of Tokyo Nissan Auto Sales in 2008.

Although a political novice, Hayashi was elected Mayor of Yokohama in August 2009, gaining 35,000 more votes than her nearest rival.

"Were the bureaucrats in Yokohama more worried about you being a woman or being from the private sector?" Hayashi was asked at the lunch.

With a laugh, she described how she quickly moved to instill a customer-oriented mentality—much to the surprise of some bureaucrats, who were used to being elite mandarins. She also raised dress standards to counter a culture where "some even wore white socks . . ."

A hallmark of her tenure has been her effort to reduce the waiting list for daycare centers in Yokohama for women who want to return to work. For this, Hayashi met with city employees, talked with working mothers, and personally established a project to reduce to zero the number of children waiting for places in daycare centers.

Given the city's soaring land prices, Hayashi hit upon the idea that, even without kindergarten yards, existing buildings could be refurbished as daycare facilities, and access could be allowed to the playground areas of nearby daycare centers. She also

encouraged such centers—though privately owned—to open, a move that raised eyebrows.

Within three years, the waiting list was reduced to zero and then, as of last April, it grew to eight. "Since we successfully eliminated the list, a constantly increasing number of people have been applying for places in daycare centers," Hayashi said.

Impressed by Hayashi's results, Prime Minister Shinzo Abe dubbed her approach "The Yokohama Method," and the government has subsequently given grants to other municipalities to emulate Yokohama's success.

During the luncheon, Hayashi offered a number of interesting observations for us to reflect on, including:

**In order to increase the participation of women in business in Japan**, the way men work first has to change. Men have to better understand the work-life balance, she said.

**Advising 20 year olds**, Hayashi added that, we live in the ICT era; the young need to get off video games and mobile phones, put away the TV, get out of their virtual lives, communicate with real people, and read books. "If you don't read books, you lose the ability to write," she said.

**On plans for Yokohama**, the mayor was even more candid. "Downtown Yokohama is a beautiful part of the city facing the sea, with an international convention complex that attracts more international conferences and participants than anywhere else in Japan. Can you believe we don't even have an opera house?" she asked.

"Plans for development of our waterfront are already in motion, including upgrades to convention facilities," she stated, "and I wish to keep on refining our attractiveness as a location for international conferences and a destination for tourists."

**On Integrated Resorts**, Hayashi said nothing has been decided and that we must think about what the people of Yokohama want.

However, we ought to look at how we can better utilize our waterfront—having an Integrated Resort with lots of opportunity for entertainment would be a viable option. "Think of the in-bound international tourism to the area," she said.

Hayashi, the 30th mayor of Yokohama, clearly deserves to be the ACCJ 2014 Person of the Year. She is an inspiration to men and women alike. She is a true example of what can be done with some determination and perseverance.

Congratulations, Mayor Hayashi. ■

**Deborah Hayden** is co-chair of the ACCJ Women in Business Committee, and Edelman Japan regional director.



# Learning from Leaders— CEO series takes region by storm

By Kendrick Miyano



ACCJ members with Danny Risberg, CEO, Phillips Electronics Japan Ltd. (second from left) at his ACCJ Kansai CEO series presentation held February 5.

**E**stablished with the purpose of providing members with opportunities to interact and learn from top executives, the American Chamber of Commerce in Japan (ACCJ) Kansai chapter's Business Programs Committee inaugurated a CEO series in February.

Thus far, four CEOs have been hosted: Danny Risberg, CEO of Philips Electronics

Japan, Ltd.; Tim Brett, representative director and president of Coca-Cola (Japan) Co., Ltd.; Monika Merz, president, Toys“R”Us, Asia Pacific and president & CEO, Toys“R”Us, Japan; and George L. Maffeo, president, Boeing Japan and vice president, Boeing International. In their presentations, they all shared lessons learned throughout their careers.

Speaking at the Hilton Osaka in early February, Danny Risberg—in “Asking the Right Questions”—relied on his more than 20 years’ experience working in Japan to deliver insights on how to engage with Japanese companies. Using case studies from Philips, Risberg talked about key success factors, and shared tips for win-win relationship with Japanese companies from the perspective of both buyers and sellers.

In international business, particularly mergers and acquisitions, a relationship founded on goodwill and trust is vital between buyers and sellers, Risberg said. Both sides must understand and truly know the people that they work with, and be fully aware of the reasons they are conducting business. For buyers, the question to be posed is, “What will I gain by acquiring?” Sellers, meanwhile, need to be cognizant of the reasons they are letting go of their business. Answering such questions is the key to both organizational and personal success.

Toward the end of February, Tim Brett discussed Coca-Cola Japan’s current marketing strategy here. Speaking at a live-streamed event at The Ritz-Carlton Osaka, Brett also talked about the development of his own career—under the billing “Ideas and Initiative”—and how it led to his current role.

Expats are not sent to Japan simply because of their set of skills, Brett said. They allow the cross-pollination of ideas, which culminates in enhancing an entire organization: Best practices can be shared effectively, employees are exposed to new cultures, and innovation is birthed within the company.

Brett also shared his tips for success. “Put yourself in the way of good luck,” a phrase he teaches all of

his new hires, especially those with high potential. “Make good luck for yourself because the future is not predictable. Take risks. Be prepared so that when you encounter good luck, you can be the one who benefits.”

In the middle of spring, Monika Merz—in “Dealing with Setbacks”—discussed her journey in retail: from the sales floor of a specialty fashion retailer to the leadership team of the world’s largest dedicated retailer of toys and baby products. Also speaking at The Ritz-Carlton Osaka, Merz highlighted challenges she faced over the course of her career, and offered her thoughts on management in Japan.

Merz delivered an inspiring presentation, highlighting the importance of staying positive and believing in oneself. Throughout her career, she has faced numerous obstacles and setbacks, some even set up by peers and bosses. Naturally, Merz experienced discouragement in such cases but, thanks to the strong support group she had developed around her, she was able to quickly rebound and tackle challenges with renewed vigor.

Merz has practiced surrounding herself with positivity, both at work and in her personal life, and always finds it a source of inspiration. Positivity builds her confidence, allowing her to stay adaptable in a world of change. For Merz, setbacks are no longer hindrances to attaining full potential; they are, instead, an opportunity for growth.

Speaking at the Hilton Osaka in June, George L. Maffeo, meanwhile, explained Boeing’s strategy to remain at the forefront of aerospace innovation, as well as the role played by Japanese partner companies in its global success story.

Arguably the most important lesson Maffeo has learned over the past 25 years about the aviation industry, he said, is that safety is paramount. Naturally, Boeing’s focus on safety and quality makes Japanese companies desirable working partners, as both traits are culturally embedded in Japan.

This convergence of core values, Maffeo said, creates win-win situations based on mutual trust and understanding, which results in the production of quality products. When problems arise, one side is not solely responsible for the problem—it is

truly a give-and-take relationship, he said. ■



At the Kansai CEO series event are (from left) Kansai Business Programs Committee Chair Stephen Zurcher, Carsten Brunn, Monika Merz, and Vice President-Kansai Kiran Sethi.

**Kendrick Miyano,** an ACCJ Intern, is an undergraduate at Wheaton College.

## EVENTS



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- 1 Prime Minister Shinzo Abe addresses the crowd at the 2015 ACCJ Women in Business Summit.
- 2 The Male Champions of Change panel discussion, 2015 ACCJ Women in Business Summit.
- 3 Yokohama Mayor Fumiko Hayashi, ACCJ's 2014 Person of the Year
- 4 Organizers and attendees pose for Vaccine Day at the "Japanese Vaccination: Current Status and Issues" event on July 6.
- 5 Group photo from the Chubu event "Tools for Continuous Process Improvement - Lockheed Martin's PDCA Process," by Governor-Chubu Britt Creamer and Aerospace Industry Subcommittee Vice Chair Rob Jacobs at Winc Aichi on June 23 and 24.
- 6 George L. Maffeo, President, Boeing Japan K.K., Vice President, Boeing International (left) and ACCJ Vice President-Kansai, Kiran Sethi at the Kansai Event, CEO Series: Our Current Market Outlook and Boeing in Japan at Hilton Osaka on June 11.

## 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*.

- **AUGUST 5**  
The F-35 (Chubu Event)
- **AUGUST 26**  
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# APCAC Goes To Washington, Visits Tokyo

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**T**he Asia Pacific Council of American Chambers of Commerce (APCAC) membership represents an area stretching from New Zealand and Australia in the southern hemisphere all the way north to Mongolia, and from the east to India and Pakistan, to the west to Guam—and most countries in between.

APCAC comprises 29 American chambers of commerce (AmChams) in the region. Collectively, the association represents more than 50,000 Americans working overseas, in excess of 10 million employees, and over 15,000 companies—which organizations manage over \$625 billion a year in trade and investment flows into Asia-Pacific.

For the latest on APCAC's activities, including news of a fruitful visit to Washington D.C., *The Journal* sat down with Jackson Cox, chairman of APCAC.

## Can you tell us about APCAC's mission?

Our mission is to support our AmChams; they are in the front lines in the region, opening markets, creating jobs and opportunities, as well as promoting the good work and commercial opportunities between the United States and other economies in Asia-Pacific.

As part of this support, APCAC facilitates three annual events. One is a regional business summit. In 2015, it was hosted by the American Chamber of Commerce in Singapore; next year it will be the AmCham in Beijing, China.

We also do an annual policy Doorknock in Washington, D.C.—we concluded that in late June. This is when chamber leaders from the region go to Washington and lobby on important regional issues.

The third area of activity is the annual meeting of executive directors from all member AmChams who gather at a retreat so they can share best practices. Our aim is to ensure all AmChams put their best foot forward in serving their members. We also make sure members receive the best representation they can from us.



Jackson Cox, APCAC Chairman  
and CEO of Woodmont International

## What are some of the major issues APCAC is dealing with?

In this year's D.C. Doorknock, we pushed for Congressional approval of the Trade Promotion Authority (TPA) legislation, which leads to supporting the Trans-Pacific Strategic Economic Partnership Agreement (TPP). We were thrilled that TPA received Congressional approval while we were in D.C.

We believe TPP offers a great chance for a high-standard trade agreement that will set a new bar for trade between the US and the 11 Asia-Pacific partners that are involved. We also support TPP because it is an aspirational agreement, which means other countries can join, thereby expanding the market of participants.

APCAC has also lobbied for the re-authorization of the US Export-Import Bank (US Ex-Im Bank). Unfortunately, that authorization has expired in late June. But we hope that Congress will have found a solution, and approve long-term authorization, very soon.

The APEC Business Travel Card (ABTC) is now available for American business travelers in the region, but more work remains to make ABTC fully functional for American travelers, so we continue to work on that.

We also lobbied on the financial reporting requirements that American companies and citizens who hold foreign bank accounts must fulfill as a result of legislation passed in the United States with all the right intentions, but that have become burdensome.

And this burden is not only on American citizens, but also on any bank that has American account holders, or a foreign company that has an American on their board of directors or among their shareholders.

The other issue has to do with how Americans abroad are taxed—the United States is one of only a few countries that will tax its citizens regardless of where they live, and again, this means Americans can't compete on a level playing field around the world.

## Can you say something about your visit to Japan?

I'm here to talk about APCAC to members of the American Chamber of Commerce in Japan (ACCJ), and to find ways in which APCAC can be a more helpful and strategic partner to the ACCJ. I'm here to listen, too, to members and their companies as a big part of APCAC's work is telling stories of the good work that they are doing. We need to tell those stories in Japan, the region, and back in the United States.

## Can you tell us something about the American Chamber of Commerce in Mongolia (AmCham Mongolia)?

Fours years ago, I founded AmCham Mongolia and currently serve as chairman of its board of directors. At the time, Mongolia was the fastest-growing economy in the world, and I thought it made sense that there should be an AmCham there. Over the course of the past four years, AmCham Mongolia has expanded and has five full-time employees and about 50 commercial members—this means we now look and sound and act like a real AmCham. ■

For more on APCAC, please visit:

<http://apcac.org/>

For more on AmCham Mongolia, please visit: <http://amcham.mn/>



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