

**PRESIDENT**

Tokyo's selection for the  
2020 Olympics puts focus  
on nurturing future leaders,  
structural reforms

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**EXECUTIVE DIRECTOR**

Participation and  
communication are key to  
increased knowledge of the  
ACCJ's activities

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# Journal

OCTOBER 2013

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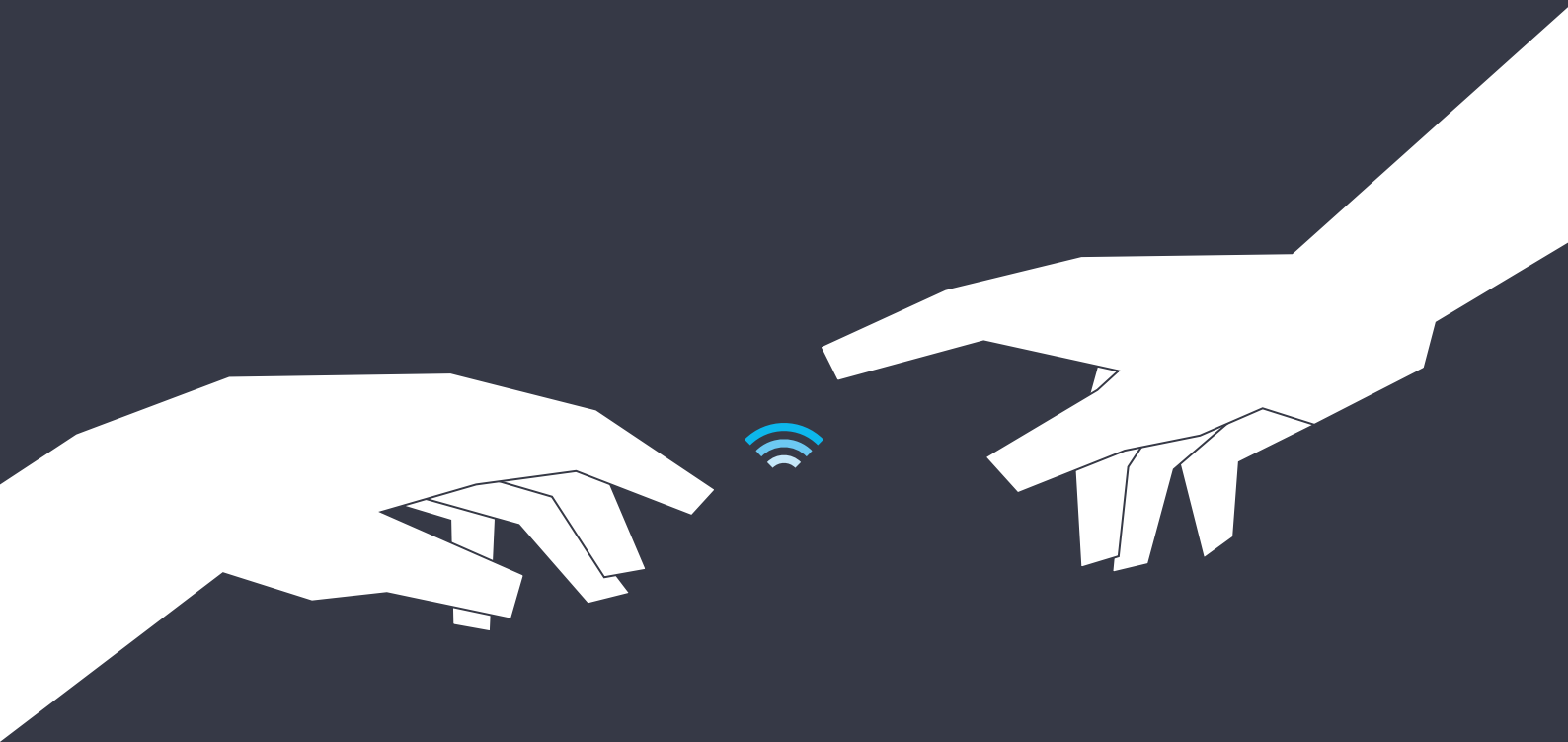
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### Cover Image

Cliff Rosenberg,  
managing director  
of LinkedIn  
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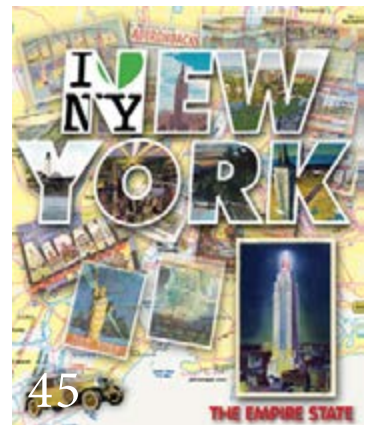


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These companies join the *ACCJ Journal* in celebrating the successful bid by Tokyo to host the 2020 Olympic and Paralympic Games.

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[www.asij.ac.jp](http://www.asij.ac.jp)

The American School in Japan congratulates the city of Tokyo on its successful bid for the 2020 Olympic and Paralympic Games.



[www.citibank.co.jp](http://www.citibank.co.jp)

Citibank Japan congratulates Tokyo on their successful bid for the 2020 Olympic and Paralympic Games.



[www.uniquebydesign.jp](http://www.uniquebydesign.jp)

Custom Media congratulates Tokyo for being chosen as host city for the 2020 Olympic and Paralympic Games.



[Delta.com](http://Delta.com)

Delta Air Lines congratulates Tokyo, the host city of the 2020 Olympic and Paralympic Games.



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The Tokyo 2020 Olympic and Paralympic Games will showcase Japan's great strengths and talents. We congratulate all involved in bringing the Games to Tokyo and look forward to being a part of this exciting event.

# BID FOR GROWTH

Tokyo's selection for the 2020 Olympics  
puts focus on nurturing future leaders, structural reforms



Larry Bates lbates@accj.or.jp @ACCJPresident

**A**s this goes to press, I still feel the excitement of the selection of Tokyo as the host city for the 2020 Olympic and Paralympic Games, announced on September 8 in Buenos Aires.

Rare for me, I was up at 5:00 a.m. on a Sunday to watch the announcement ceremony, and I was thrilled for Tokyo, home to so many of us, and for all those who worked so diligently to achieve the successful result, including the Tokyo 2020 Bid Committee and the many members of the ACCJ and our sister chambers in Japan, as well as the Tokyo American Club.

I would especially like to thank Jonathan Kushner, Ed Cole, Toshiko Saito, and David Wouters for their leadership of the ACCJ's 2020 Task Force, and for several high-profile and fun events. Also deserving gratitude is the office, for its magnificent support, and for having got out a press release almost immediately—in two languages, on a Sunday morning.

This outstanding news triggers a number of observations, in line with many of the ACCJ's Achieving Growth Together initiatives. I was very moved by the Paralympian long jumper Mami Sato's impassioned plea in the Tokyo presentation, and also most impressed by the quality of the speeches, in English, of the entire Tokyo delegation.

Thinking back to the 50 percent of the ACCJ's membership that is Japanese, and the recommendations of the Japanese Member Engagement Working Group of the Special Presidential Task Force, which reported to the Board of Governors in July, the takeaway for me is that we must do more to live up to the promise of the ACCJ as a home for Japanese global talent development—much as the Women in Business Committee is holding regular skills development training for this key segment.

These are the future leaders of the US–Japan relationship, and we must cultivate them. The Executive Committee is finalizing some very specific recommendations in this regard for Board approval, or immediate implementation by the office.

While the Olympics will be an excellent shot in the arm for accelerated growth, none of us can be complacent about what is still required to flesh out the third arrow, to create a truly sustainable long-term growth strategy based on genuine structural reform.



The Tokyo delegation celebrates the Olympic announcement.

In this context, the ACCJ continues to strongly engage with stakeholders both in the United States and Japan on the benefits of Japan's participation in the Trans-Pacific Partnership.

In addition, we have further refined our advocacy message delivered to these same stakeholders, including Prime Minister Shinzo Abe, and conveyed through the recently completed Diet Doorknock. We point out the three key market-wide reforms that should be undertaken to have the greatest positive impact on shifting resources to inward-

bound foreign direct investment, innovation, and entrepreneurship, as well as to other, more productive sectors of the economy.

First, labor law reform is needed, including more flexible termination rights, which would have a huge impact on enabling more women to engage meaningfully in the workforce. Second, there should be corporate governance reform, including mandatory multiple outside independent directors on corporate boards that could create a mindset shift facilitating M&A, and a market for corporate control. And third, tax reform should be undertaken, extending the net operating loss carry-forward period, in which area Japan is currently an outlier, having a relatively short period by OECD standards and, thus, inhibiting the will of foreign and domestic business interests to make significant new investments.

The Olympics should also have a direct beneficial impact on our members, and increase our membership in two key ways: energizing and engaging our membership base; and providing real business opportunities for our member companies, which we will seek to encourage on a level playing field basis in line with our core advocacy principles.

I wish to remind everyone of the upcoming Ordinary General Meeting to be held on October 30. This is one of the most important meetings on the ACCJ calendar, and I encourage all to attend.

Many of you may have heard that I will be retiring at the end of this year, after 22 years with GE, to focus on other career endeavors and on my family. I greatly look forward to meeting the challenges that may come my way during the three months left of my presidency, and to remaining strongly engaged with Japan and the ACCJ thereafter. Yet, I also look forward to handing over responsibility for leading an even stronger ACCJ to a capable successor in 2014, at this most critical time in the US–Japan economic relationship. •

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These companies join the *ACCJ Journal* in celebrating the successful bid by Tokyo to host the 2020 Olympic and Paralympic Games.

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[www.kreabgavinanderson.com/tokyo](http://www.kreabgavinanderson.com/tokyo)

Tokyo's selection to host the 2020 Games is tremendous and will be transformational for all of Japan to propel growth and internationalization.—Jonathan Kushner, managing partner, Kreab Gavin Anderson and ACCJ Tokyo 2020 Task Force Chair



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Congratulations to Tokyo and the country of Japan for winning the bid to host the 2020 Olympic and Paralympic Games.





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# A WOMAN'S TAKE



**Megan Waters**  
megan@custom-media.com

**I**t is very special for me to be the ACCJ *Journal's* first female editor-in-chief in an exciting new partnership between publishers Custom Media and Japan's largest foreign chamber of commerce.

I am very much looking forward to taking on challenges and realizing new ideas over the coming issues. One of the best ways of expressing the close bilateral ties that the ACCJ enjoys with Japan, and of reaching across to our readers, is to draw you closer to the everyday business and aspirations of the chamber and its members.

It is also a huge privilege to be working with the stable of writers who make possible this publication. Some have been featured in the pages of the *Journal* before; others are first-time contributors. However, what I celebrate most is the eagerness to play a part in this publication as expressed by so many women—an under-represented voice in Japan.

These are exciting times, indeed, not only for the chamber and Tokyo, but for the people of Japan, following the September 8 announcement that Japan had won the bid to host the 2020 Olympic and Paralympic Games (page 7).

For many reasons, the Games are expected to be a financial and other boon for Japan, and the *Journal* looks forward to helping raise the city's profile for this great occasion.

## ACCJ events for everyone

The ACCJ has many interesting events lined up over the coming month. I am always surprised by the variety and number of events the ACCJ holds each month, ensuring there is something for everyone. I look forward to attending many of these events, where I hope to meet more chamber members.

I know it takes a lot of time and effort to plan functions, especially larger ones such as the Charity Ball (page 45).

**I am very much looking forward to taking on challenges and realizing new ideas over the coming issues.**

To be held on November 30, the ball promises to be a spectacular evening of fine dining and entertainment—for good causes.

On a side note, I would like to thank all those who attended, or helped to organize, the *Journal's* Relaunch Party at the Tokyo American Club on September 6 (page 44).

As an eager user of many of the social media tools available these days, I found this month's cover story (page 22) on an ACCJ event featuring LinkedIn particularly pertinent. Read how the professional networking site can help you become more productive and successful in your career.

In fact, a recent study by innovation agency FaberNovel, entitled "LinkedIn, the Serious Network," explains how the site has become much more than somewhere to upload a resume. Rather, it has become *the* place to network. The report suggests that the site will transform the business world, impacting work life and culture.

Meanwhile, I hope you enjoy the October issue. Please feel free to drop me a line with any suggestions or comments. We are always on the lookout for ways to better reflect the interests and concerns of our readers, and would be happy to hear from you. •

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## Number of EV Charging Stations Expanding



Tesla hopes its Superchargers will have US-wide distribution by 2015.

The number of fast-charging stations for electric vehicles will soar to nearly 200,000 worldwide by 2020, up from just 1,800 or so last year, according to research company IHS Automotive (*Investor's Business Daily*, August 27).

Japan is home to half of today's fast-charging stations. Germany appears set on using a combined charging system (CCS), while Tesla Motors Inc. (see page 30) is pushing its proprietary

Supercharger system in the US, which has made adding more such stations a priority. Tesla exceeded second-quarter estimates, and its stock has been on a roll.

By the end of 2013, the Americas will account for about 1,400 charging stations, Europe and the Middle East for 1,600, and the Asia-Pacific region for 2,900, according to IHS Automotive.

Tesla has said its Superchargers will have US-wide distribution by 2015.

"In addition to the proprietary technology, use of the charging stations is free for Tesla owners, and there are plans to power all stations using photovoltaics," an analyst said. "These superchargers represent a powerful proposition for Tesla: drivers can charge faster and charging will be free for life."

## TEPCO Names US Expert to N-panel

Tokyo Electric Power Co. has appointed a former US nuclear regulatory official to a committee that will oversee reform of its nuclear power division (*Asahi Shimbun*, September 11).

With an eye to restarting its key nuclear reactors, which were idled following the 2011 triple disaster, the Nuclear Reform Monitoring Committee also has the task of improving technologies to decommission the crippled reactors and decontaminate the Fukushima No. 1 nuclear power plant.

Facing strong anti-nuclear sentiment, TEPCO hopes the establishment of outside oversight will

help to win public support for its safety-related reform efforts and pave the way for restarting nuclear reactors.

Dale Klein is a former chairman of the U.S. Nuclear Regulatory Commission. He will sit on the committee with management consultant Dr. Kenichi Ohmae, a former nuclear engineer with Hitachi Ltd., and lawyer Masafumi Sakurai, former chief prosecutor of the Nagoya High Public Prosecutors Office, who sat on the Diet investigative committee on the Fukushima nuclear power plant accident.



Dale Klein is on the TEPCO committee.





Tokyo's Ginza store was the first to open outside the United States.

## First Apple Store in Tokyo for Seven Years?

After seven years of waiting, residents of Tokyo will reportedly have one more Apple store to visit (*ifAppleStore* weblog, August 28).

The store will be in Omotesando, just an eight-minute walk from the existing Shibuya retail store. Apple's first store outside the United States opened on Thanksgiving weekend 2003 in Ginza (Tokyo). Determined to attend the grand opening and despite the rain, about 1,980 people lined up outside the store ahead of time, forming the longest line ever for an Apple store opening.

Subsequently, six more stores opened in Japan, most recently in Sapporo in June 2006. At that point, Canada and the United Kingdom were the only other countries with Apple stores. However, since that last Japan store, 145 stores have opened in other countries, all while Japan waited and waited.

## Mover Launches New Brand

UniGroup Relocation has launched a new global brand, reflecting a broader mission and the addition of new services and technology solutions (US business news reports, September 1).

With regional headquarters in St. Louis, MO, as well as in Amsterdam and Hong Kong, the company's global network services nearly 1,200 locations in more than 180 countries with mobility solutions. Built on the heritage of the largest and most recognized US household goods movers, United Van Lines and Mayflower Transit, and the highly regarded presence of UTS International in the rest of the world, UniGroup Relocation has more than eight decades of experience in meeting customers' relocation needs.

"Over the last few years, we have been quietly building one of the world's largest relocation networks," said Pat Baehler, UniGroup Relocation president. "Our new brand is a reflection of our large global presence, our wide range of services, and the consistent and high level of quality we are able to provide through our service level agreements and unsurpassed local knowledge."

To better meet the broad range of mobility needs of multinational corporations and their assignees, the company recently expanded its offerings to include pre-assignment, housing, and destination services. These include everything from new location orientations, home finding, culture and language instruction, and departure services, all arranged through a single point of contact.

## Lender Agrees to ¥2 Billion Credit Facility for Subsidiary

GE Capital has signed an agreement with a Japanese unit of Imation Corp. —a global scalable storage and data security company headquartered in Oakdale, MN—to provide a revolving credit facility of up to ¥2 billion in Japan (*Monitor Daily*, August 8).

GE Capital said the facility will act as a liquidity line and, given that it is Japan based and yen denominated, it also will add flexibility to Imation's global treasury needs.

Other reports said that the credit is in answer to Prime Minister Shinzo Abe's call for increased funding for smaller companies.

Asset-based lending is a relatively new form of corporate funding in Japan, where lenders typically only lend on hard assets, such as equipment and real estate, GE Capital explained.

Clark D. Griffith, managing director of structured finance at GE Capital Japan, said, "GE Capital's international footprint creates a capability to lend on cross-border collateral, which thus allows for multi-jurisdiction ABL [asset-based lending]. Normally, assets that are outside the country, or legal jurisdiction, where the ABL is underwritten are considered ineligible as collateral because lenders cannot perfect, or lay claim to assets outside the immediate legal jurisdiction." •



Clark D. Griffith is managing director of structured finance at GE Capital Japan.



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# YOUNG BLOOD

Group promotes ACCJ participation  
and membership among under 40s

By Megan Waters

ACCJ Journal editor-in-chief

**E**stablished in 1996, the Young Professionals Group Subcommittee (YPG) promotes the interests of the chamber's young professionals through skills enhancement, education, networking, and business opportunities, while providing opportunities for socializing and chances to meet others with shared interests.

In addition, the larger goal is to promote greater participation and membership of the chamber among younger professionals, namely those aged 40 and under.

John Ghanotakis, the current chair of the group, was present at one of the committee's first events—a presentation on how to network. “The speaker talked very passionately about the various things he did to get a job in the legal industry in Tokyo, and how using a less traditional way can sometimes lead to a better result,” said Ghanotakis.

“I was based in Tokyo on the JET Programme at that time, and the event certainly provided at least one good reason to consider joining the chamber.”

According to Ghanotakis, most committees are either industry or profession specific. However, the YPG's members come from a vast array of specialisms and backgrounds. It is this diversity, believes Ghanotakis, which allows the group to host events with other committees that touch on their areas of expertise while still being of interest to young professionals.

“In this way, our events and topics of lectures are, perhaps, wider ranging



1  
Reina Otsuka, founder of eco+waza, gives a presentation at “The Entrepreneurs Forum/Talking Business Series 2013” in January.



2  
Lady Barbara Judge, deputy chair of TEPCO Nuclear Reform Monitoring, speaks at the committee's event, “Inside TEPCO: Making Changes in Japan's Nuclear Industry.”

than those of most other committees in the chamber. This is because we feel less of a restriction to specific topics,” he said.

The committee has hosted a number of events since its establishment, including the recent “Transforming the Way Professionals and Businesses Work with Social Media” (see page 22). But some have been more memorable than others, for various reasons.

“I think the annual Cherry Blossom Viewing Party in Shibakoen is always

very successful, as it brings together members of all ages, as well as their friends, in a free event during one of Japan's greatest [traditional observances]—*hanami*,” said Vice Chair Timothy Trahan.

“The Entrepreneur/Talking Business Series, run jointly with the Independent Business Committee, allows speakers to engage with small groups in the boardroom about things such as how they started their business, lessons learned, and horror stories.

“This has been very popular with members as it is held in a smaller environment, is a little more interactive than other events, and the speakers often give business tips or tell stories off the record that you wouldn't be able to hear in a more formal event,” Trahan said.

Although the ACCJ is the biggest foreign chamber of commerce in Japan and has numerous networking events, advocacy initiatives, and committees from which to choose, many young professionals need a platform to enhance themselves and/or their businesses. The YPG provides such an arrangement.

“Young professionals can meet senior executives from the biggest companies in the world, attend lectures on the widest range of topics, and learn from education- and skills-based workshops,” explained Vice Chair Amir Khan.

“In addition, and hopefully most importantly, members can have fun and make new friends and business contacts.” •

For information on upcoming events, please visit [www.accj.or.jp](http://www.accj.or.jp).



# KANSAI SHINES ON

Highlights from the chapter's dynamic events calendar

By ACCJ Kansai

The ACCJ Kansai Chapter is an active branch of the chamber that serves those working in Osaka and elsewhere in the Kansai region. Six committees plan and host about 25 events annually, including the ever-popular Kansai Walkathon (October 19 at Umekita Plaza, Grand Front Osaka from 10:30–16:00) and Kansai International School Service (KISS) Charity Concert.

Below are details of some of the events held so far this year.



The ACCJ Kansai Women in Business Committee have held two Bella Nova nights.

## WIB Committee

Building on the success of the first Bella Nova Night—a networking event for women—the Kansai Women in Business (WIB) Committee hosted another one on July 5.

Like a nova—a star that shines very brightly—each participant in these events comes to make new

connections, exchange information, and celebrate successes.

Attended by a diverse group of women who work in a range of professions, the event sold out quickly and was filled with the power of many *bella nova* (beautiful stars) who shared their energy and experiences. Attendees left the event with new contacts

and a new favorite WIB event!

The WIB is pleased to support this networking opportunity for its female members and plans to make the nights regular events on the Kansai calendar.

The next Bella Nova Night is planned for November 22 in Osaka. Please join us if you are in the area.

## External Affairs Committee

On June 18, the ACCJ Kansai and member hotels met with senior members of the Osaka prefectural government at the Hilton Osaka to discuss the promotion of tourism.

Tourism is one of the important subjects to be discussed with the Kansai Koiki Rengo (Union of Kansai Governments) on October 18, 2013.



The ACCJ Kansai External Affairs Committee with members of the Osaka prefectural government.



Team USA received the No.1 Judges' Prize Certificate and the Silver Skewer Trophy at the ACCJ Kansai World BBQ Classic V on June 1.

## Living in Kansai Committee

When the summer rolls around in Kansai, one can count on a few things: heat, sweat, and barbecues.

In what has become a tradition, the ACCJ Kansai Chapter held its Kansai World Barbecue Classic competition at the Hyatt Regency on June 1.

This year, five teams—representing the United States, European countries, Brazil, Japan, and Australia—participated in the friendly event, competing for the titles of the Prince of Pork and the Master of Meat.

Tensions rose as the battle heated up, and were only ameliorated when the kegs were tapped. For the third consecutive year, the American team, headed by Edwin Folk and Scott Lind, took home the judge's prize, which included a three-night stay in Singapore.

Preparations for next year's competition are already being made. •



# PARTY WITH A PURPOSE

Annual networking event promotes the fun side of business

By Bruce McCaughan

Everybody loves a beer garden. But people in the Chubu area of Japan love them the most. What's not to love? After all, there is nowhere else you can enjoy copious amounts of the golden nectar in the open air, with friends and colleagues, on a warm summer's night—okay, it was hot, but it is *always* hot in Nagoya.

On August 1 the ACCJ Chubu Chapter held its annual “Summer Networking Event: Beer Garden.” Hosted by the Living in Chubu Committee—responsible for making sure business in central Japan is fun—a group of nearly 80 people gathered at a rooftop venue with a stellar view of Nagoya's twin towers . . . and, of course, there was lots of beer.

Doing business is a challenge in central Japan. It is often said, “If your business is a success in Nagoya, you can make it anywhere.” This fact makes networking and peer support all the more important, and is perhaps the reason they have mastered so well the art of networking and *nomunication*.

The beer garden event as feted by the Chubu Chapter of the ACCJ was indeed a whole lot of fun. It was a great chance to relax and let off some steam, and also turned out to be a better-than-expected opportunity to network.

The event featured a diverse mix of Japanese and overseas members, including the usual suspects as well as many new faces.

The greater-than-average attendance by women in the business community was also notable. Indeed, that was a testament to the diverse



business community found in the Chubu region.

As one delighted ACCJ member put it: “I had never exchanged as many business cards at any networking event as I was able to exchange at the beer garden. It was awesome!”

So you can throw away that image of a bunch of drunken old men with neckties around their heads. In Chubu, it is always a party with a purpose.

In addition to that summer event, the Living in Chubu Committee hosts a casual networking event every quarter, including an Anyone-Can-Golf Tourney and the annual Champagne Ball.

The philosophy underlying these events is that happy people are good for business. In central Japan, members are happy and business is great!

For the record, at the beer garden, the camera was put away by 8:30 p.m., so anything that might have happened after that was recorded only in the minds of participants. •



Bruce McCaughan is secretary of the ACCJ Chubu Chapter's Living in Chubu Committee and an independent internet marketing consultant licensed by WSI.

# A BRAND NEW YOU

Younger, more mobile and integrated digital market makes proper online personal branding critical for careers

By Julian Ryall Photos by Taro Irei



Cliff Rosenberg is managing director of LinkedIn Australia, New Zealand, and Southeast Asia.

**W**e all live in a world that's increasingly linked in, but we can always be even more LinkedIn—and that applies to any company that is trying to increase the profile of its brand, the firm looking to hire new talent, or the skilled worker looking to showcase his or her abilities.

"Social media has evolved very quickly, from the first big wave of portals that served as a gateway to help people navigate the web in the 1990s, to search engines and then, more recently, the arrival of social networks," Cliff Rosenberg, Managing Director of LinkedIn Australia, New Zealand, and Southeast Asia, told a chamber luncheon at the Tokyo American Club on September 10. The event was hosted by the ACCJ's Young Professionals Group; Marketing Programs; and the Information, Communications and Technology committees.

The advantage of social media lies in the fact that it is a lot more interactive than its predecessors, with the big three of LinkedIn, Facebook, and Twitter leading the international pack, and a multitude of other companies contributing online options at the national level, such as Mixi in Japan.

Rosenberg does not consider the other social media sites to be rivals. "It's all about context," he said. "When we speak with our members and ask what they think of social media, we consistently hear that they want to separate their private from their professional lives."

"LinkedIn is purely for professionals, it has been that way since we were founded in 2002. Our mission is to connect the world's professionals to make them more productive and successful," Rosenberg said.

This is quite different from the model operated by the likes of Facebook, which focuses on social interactions, games, and keeping in touch with friends and family, while Twitter serves more as a public broadcast forum.

Although it may be acceptable, for example, to appear in a photo taken at a fancy dress party on other social media sites, that is not the image you want to be projecting to potential recruiters, clients, business collaborators, or employees, he emphasized. That is why it is critically important for each of us to take control of our own online professional brand.

"You can't rely on someone else to manage your career. You are in essence your own chief marketing officer, and you drive your online professional brand to get to where you want to be in the future," Rosenberg said. He suggested that everyone attending the event—around 90 percent of whom raised their hands when asked whether they had a LinkedIn profile—do an internet search on Google, or other search engine, for their name. "If your LinkedIn profile is not near the top of the search result, then you're not painting yourself in the best possible light and you need to have a more complete LinkedIn profile," he said.

"You have to establish and then build your professional identity and reputation, to make it work for you,"

“LinkedIn is purely for professionals, it has been that way since we were founded in 2002. Our mission is to connect the world’s professionals to make them more productive and successful.”





he said. “If your LinkedIn profile only has your name and title listed, then you’re not doing yourself any favors. Show your skills, achievements and education, and get recommendations and endorsements on LinkedIn.”

“There is no ideal number of connections”, said Rosenberg, who has well over 1,000 contacts on LinkedIn. “It’s all about quality, not quantity,” he explained. “There is little point in accepting random requests from people in parts of the world that you are unlikely to ever visit or do business in. There’s no need to feel bad about rejecting a request, especially if the invite is from someone you have not met, or who would not be a valuable addition to your professional network.”

For companies, LinkedIn is an opportunity to build the company brand through groups and company pages. Employees should be encouraged to share their positive experiences of the company on these channels so that potential employees can get to understand the company better.

A recent addition to the platform is the LinkedIn Influencers program, which was launched in October 2012.

Rosenberg: you drive your online professional brand to get to where you want to be in the future.

It brings together more than 300 of the world’s top thought leaders to share their professional insights. Those invited to date to take part in the scheme include Prime Minister Shinzo Abe, President Barack Obama, Bill Gates, Jack Welch, Arianna Huffington, and Richard Branson.

“LinkedIn has become the place where professionals can go to get deep and rich insights. Members can choose the categories that are of interest to them, giving them access to information that is uniquely tailored for them on a daily basis,” Rosenberg said.

This message resonated with Tim Trahan, joint chairman of the ACCJ’s Young Professionals Group. “I use LinkedIn a great deal and I know how it works, but I learned a lot about strategies for marketing and was particularly interested in the Influencers program,” Trahan said.

“And while I have got into the habit of updating my LinkedIn profile every three months or so, I came away from this event knowing that I need to do it more often, perhaps incrementally. But also that sooner is definitely better than later for updating the information.

**LinkedIn is also increasingly looking to make itself available through mobile devices.**



People I have spoken to since the event are telling me they are thinking exactly the same thing,” he added.

LinkedIn is also increasingly looking to make itself available through mobile devices, integrating with schedules, as well as encouraging a younger group of people to create profiles. It’s giving access, in some markets, to people as young as 14 years of age.

“We decided to lower the age limit because the sooner teenagers can start building their online brand and reputation, the better,” Rosenberg said. “It is becoming increasingly difficult to get that first great job on graduating from university. LinkedIn can be fundamental to getting that first job and building a career.”

“Japan is the world’s third-largest economy and there is a very vibrant recruitment industry as well as a fast growing online advertising sector,” he said. The market does pose some challenges to LinkedIn.

“Japanese professionals are not generally all that prolific, in terms of

proactively publishing their profiles and achievements online, compared to professionals in other countries such as the Netherlands.

“The perception [in Japan] is that the company still tends to come before the individual and it is viewed by some professionals as being disloyal to promote oneself instead of the company,” he added.

“I do think that attitude is changing, but it will take time to evolve completely.

“We need to educate Japanese professionals that by branding and promoting themselves online they are also, in effect, branding and promoting the company. Employees with LinkedIn profiles can be great ambassadors for the company.”

There are, however, high hopes for the market here.

“Right now, we are at the stage of listening and learning from our members, as we continue to work hard to better understand what works best for professionals in Japan,” he said. •

## LINKEDIN: IN NUMBERS

Founded:	December 2002
Launched:	May 5, 2003
Number of users: (as of September 10, 2013)	238+ million
Rate of growth:	More than two new members every second
Members in US:	40 percent of membership
Number in Asia-Pacific: (as of September 10, 2013)	42+ million
Number of countries and territories in which it is available:	200+
Languages:	20
Revenue:	\$972 million (2012)
Employees:	4,200 (August 2013)



Around 90 percent of the event’s attendees indicated that they have a LinkedIn profile.

# GOVERNANCE IS MOSTLY ABOUT THE BOARD

By Nicholas Benes

In a previous article, published in the *ACCJ Journal* for September 2013, I made the point that—contrary to popular belief—Japan gives stronger rights to shareholders than does the United States, but the latter has a system that is much more board-centric than that of Japan. On a comparative basis, it is in the boardroom that the US system excels.

By board-centric, I mean that US courts and regulatory rules focus more on requiring or encouraging boards to act optimally. This is based on the view that shareholders cannot be expected to know all the details and confidential information needed for difficult corporate decisions, so almost all important decision making should be done by the board.

Over many decades, US courts have developed a detailed body of case law (and resulting legal rules), from which an equally rich base of best practice standards has arisen. These rules and practices seek to ensure that what the board does behind closed doors is aligned with the interests of the shareholders who cannot be present—not senior executives who could otherwise influence the process.

Although perhaps not everyone is totally satisfied with the result thus far, US courts and regulations have made a concerted effort to address the “agency problem.” This is caused by the separation of ownership and control, which creates the risk that hired executives—who may own little, if any, stock—will not always do what is best for shareholders.

The most well known of these rules is the requirement that boards of US public companies have a majority of independent, outside directors.

This requirement did not arise from any initial mandatory rule, or even the belief that a company’s operating performance would improve if it were monitored by outsiders. Rather, it arose because in the 1970s, 1980s, and 1990s, the United States experienced a number of hostile acquisitions, takeover defenses, leveraged buyouts, management buyouts (MBOs), and other transactions in which the interests of executives conflicted with the best interests of the company for which they worked.

Thus, for instance, a CEO might want to deploy takeover defenses in order to entrench himself in his position; or, in an MBO, managers might prefer a low price, even though shareholders deserved the highest price possible.

Many of these situations had a huge impact on shareholder value—much more than a few quarters’ earnings.

Courts in Delaware, the leader in developing corporate law, devised a clever principle to deal with problems related to self-interested managers. In a series of cases, they developed the concept that, if executive board members (managers) would be unable to make a given decision in good faith and the honest belief that it was in the company’s best interests, then the board should base its judgment on the advice of a committee solely comprising independent outside directors.

If the board did this, the court would not question the decision, as long as it

**US courts and regulatory rules focus more on requiring or encouraging boards to act optimally.**

was grounded in a proper process of ascertaining and analyzing the facts.

However, if a board did not delegate the decision to such a committee, all of its members would be held to a higher standard of due care, making them much more likely to be sued, and more likely to lose if sued.

Personal liability risk is a strong incentive. Very quickly, law firms started advising their clients that it would be a good idea to have independent directors on hand. Thus, most of the US shift to appoint large numbers of independent outside directors took place without any statutes or regulations requiring it.

Likewise, other practices were developed to harness the neutrality provided by independent directors, in areas where managerial self-interest might skew things.

Best practices and regulations arose to require independent committees for audit review, to nominate new directors, or determine executive compensation.

Because of the large volume of case law in the United States that referred to the use of such independent committees, their use became a concept that was legally recognized, even *encouraged*, by the courts.

Thus committee members were aware that their fiduciary duties could apply to decisions they made in such committees, and they were advised to use proper formalities, such as writing up minutes for each meeting. Further, they were acutely aware that they could be sued, and the spotlight of potential liability was on them, rather than dispersed across the entire board.

Further, since implementation of the Sarbanes-Oxley Act of 2002, audit committee members have been required to be financially literate. Companies now must disclose whether one member is a financial expert—the NYSE and NASDAQ require at least one expert.

In contrast, Japan has not created much legal infrastructure to improve board decision making.

The country has no rules requiring that there be independent directors at any listed company.

Moreover, for the 98 percent of Japanese listed enterprises that are statutory audit committee-style companies, there are no legal or regulatory rules with respect to outside directors, or the formation or use of committees. This means that, in most Japanese companies, executives who essentially monitor themselves account for 90 percent of board directors. It also means that Japan has no legal mechanism or incentive to protect the best interests of shareholders when resolving situations in which managerial self-interest might adversely influence the decision. This is so in the case of takeover defenses, MBO price-setting, nominations, dramatic restructuring, sale of the company, or in the case of spin-off opportunities.

Unfortunately, as in the United States, many of these processes are matters that influence corporate value significantly, and quickly.

But problems do not exist in Japan merely because the number of outside directors is usually very small (fewer than one in 10). Even in

a Japanese company that has multiple outside directors, the absence of basic infrastructure for committees and their operation results in loose board practices. Thus, we find the following:

- A management-controlled board will essentially negotiate the MBO price and terms with itself, in a process that outside board members do not control and where the acquiring executives simultaneously wear two hats. (Which hat do you think influences their decisions more?).
- There is a superficial (non-legal) nominations committee, with the CEO as chair. Message to all executives: always agree with the CEO—or you won't be nominated (promoted) to be a director.
- The board cannot decide whether to sell the company, or its non-core divisions, until it is too late and they have no value or go bankrupt. The topic is avoided and put off. Reason: the board would have to discuss the sale of the company, or Mr. X's division, right in front of Mr. X and a large number of executives who are responsible for the present state of affairs.
- The board sets up a takeover defense plan, which ensures that the company can never be sold to a hostile acquirer, no matter how



bad current management might be, or how big the synergies are. Reason: there is nothing to prevent them. Only outside directors who would rubber-stamp the plan are appointed.

- Statutory auditors, whose duty it is to conduct accounting audits and monitor the legality of directors' execution of duties, are not required to know anything about accounting or law.

Sloppy practices like these are unconstrained by any rules at all, particularly since Japan has no corporate governance code. In contrast, in many European and other Asian countries, "soft law" corporate governance codes are promulgated by the stock exchange or financial regulator, setting forth rules for board practices, committees, and director training that are backed by "comply or explain" suasion. Should a company not comply, it must disclose this fact and give its reason.

In its establishment law, Japan's Financial Services Agency has all the authority—nay, the duty (*ninmu*)—that it needs to lead the formulation of a corporate governance code of best practice, if it thought that would help protect the interests of investors. But the agency has not done so. •



Nicholas Benes is representative director of The Board Director Training Institute of Japan ([bdti.or.jp/english/](http://bdti.or.jp/english/)), a non-profit public interest organization.



# SUPER-AGING: JAPAN'S SECRET WEAPON?

By William R. Bishop Jr.

**A**ging . . . if there is one thing we can all agree on, it's that none of us are getting any younger. My mirror reminds me of this simple fact of life every morning.

The year 2000 was a demographic watershed in Asia. After a century marked by population growth, the number of children reached a peak in 1999. In 2000, that number began to decline.

Yet, at the same time, mortality has dropped dramatically. For the whole population across 22 Asian countries, life expectancy at birth was just 41 years in the early 1950s.

In 2008, according to a recent study by the Organisation for Economic Co-operation and Development, life expectancy at birth had reached nearly 72, a gain of more than 30 years.

Asia is expected to double its life expectancy at birth from the 1950s figure as early as 2020. And, although countries in northern Asia—Japan, with life expectancy of nearly 80 years for males and 86 years for females; followed by South Korea; China; and Taiwan—all have longer life expectancies at birth than countries in Southeast Asia, the gap between north and south has narrowed greatly in recent years.

The baby boom of the twentieth century, the sharp decline of infertility rates in recent decades, the rising life expectancy, and the steady decline in mortality are reshaping the size and age structure of Asian populations. The proportions of national populations aged 65 and over are expected to grow rapidly across Asia over the coming 40 years.

Indeed, in all countries, especially developed ones, the older population is also aging. People over the age of 75 make up the fastest-growing segment of this older population.

In developed and developing countries, the aging population raises concern regarding whether a shrinking labor force will be able to support a large and increasingly less independent elderly population.

Japan is aging faster than any other nation. Nearly one-third of the population is already aged 60 or over and, by 2015, one-quarter of the population will be 65 or over.

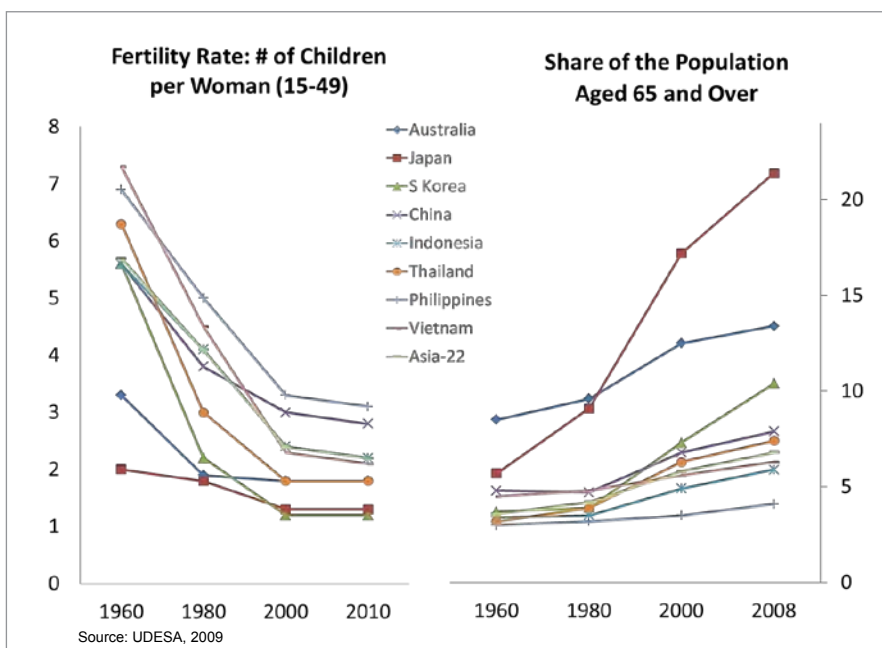
By the end of this decade, there will be three retirees for every child under 15. Before long, one in six Japanese will be over the age of 80.

The important thing to understand about aging in Asia is just how fast it is progressing. Japan's rapid aging becomes

even more pronounced when compared with that of its European counterparts. It took Germany 57 years and Italy 44 years to double their populations of those over 65 from 10 percent to 20 percent of population.

It is expected to take the United Kingdom and France even longer, although Japan achieved this feat in just two decades.

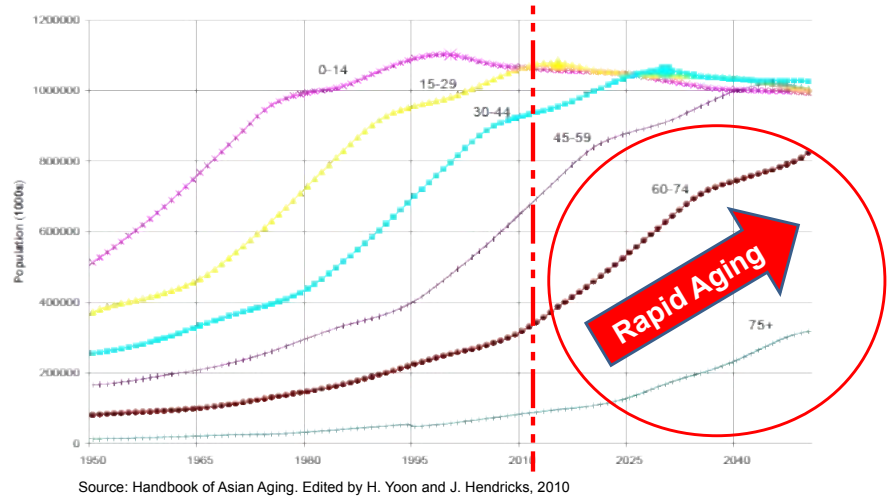
Japan, however, is not alone in Asia when it comes to rapid aging. Although Japan leads



There are now more pets in Japan than children aged under 15.

**The baby boom of the twentieth century, the sharp decline of infertility rates in recent decades, the rising life expectancy, and the steady decline in mortality are reshaping the size and age structure of Asian populations.**

## Asia Population in age groups 1950 to 2050



Almost one-third of Japan's population is aged 60 or over.

the pack, it is closely followed by South Korea, while China is not far behind on a vastly larger scale. In 2009, over 12 percent of the country's population was aged 60 or over, due to its one-child policy implemented in 1978. By 2050, 33 percent of China's population will be over 60 years of age.

One might point out here that it took France 126 years for the proportion of its population aged 65 and over to double from 7 percent to 14 percent, yet it will take South Korea only 18 years, and China 25 years, to achieve the same rate of increase.

When we take a closer look at regional population pyramids, a very clear pattern emerges. Japan has a 10 to 15 year lead on developed countries, such as Australia, Taiwan and South Korea, and a 20 to 30 year lead on emerging Asian economies.

The Philippines stands out as a country that has retained a traditional demographic pyramid. The reduction in its ratio of live births per 1,000 head of population heads in recent years—down from 6.9 in 1960 to 3.1 in 2010—will stabilize the Philippines' population growth in coming years. However, it will take many years for the country's population pyramid to look anything like that of even Indonesia or Vietnam.

Japan, meanwhile, already confronts a shrinking population. South Korea is graying even more quickly. And although China's population is projected to continue growing for another few decades, demographic change is running head to head against economic development.

China could become the first country to grow old before growing rich. In Southeast Asia, Singapore also confronts a declining birthrate and an aging society. Increasingly, Asia's aging countries are looking to the region's younger societies—such as Vietnam, Indonesia, and the Philippines—as sources of migrant labor and even wives.

These countries, in turn, face their own demographic challenges, such as how to provide their growing populations with a globally competitive economy, universal education and healthcare.

For Japan, the silver lining in its cloudy outlook is that its elderly population controls more than half the country's wealth. Accumulated wealth for those aged 60 to 90 stood at roughly \$14 trillion. And, for the year ending March 2012,

**For Japan, the silver lining in its cloudy outlook is that its elderly population controls more than half the country's wealth.**



William R. Bishop Jr. is chair of the ACCJ Healthcare Committee and director of corporate affairs at Nippon Becton Dickinson Company, Ltd.

people aged over 60 spent more than any other age group, accounting for 44 percent of Japan's consumption.

With 29.8 million people aged over 65 as of October 2012, retailers in Japan are adjusting to the customer group that packs the financial clout. It is providing lighter shopping carts and smaller packages, slower escalators and brighter display cases.

One indication that things have already changed is that in 2012, Unicharm Corporation, Japan's largest diaper maker, for the first time sold more adult diapers in Japan than baby diapers.

Unicharm has moved quickly, and taken its lessons learned here to China, where the population aged 65 or over had risen to nearly 9 percent as of the end of 2010.

Although dogs wearing diapers might seem funny, don't be surprised should you run across any. The pet market in Japan is no laughing matter. As of 2012, there were more pets (22 million) in Japan than children under the age of 15 (16.6 million).

Driven by the growing number of elderly people, the large number of couples without children, and the over 10 million unmarried people aged between 20 and 34 who still live with their parents, the pet industry has grown to be worth over ¥1 trillion per year. This market is expanding into such areas as gourmet dog foods, pet restaurants, hot spring resorts, yoga classes, pet fashion shows, and even baby diapers for puppies.

To address the many challenges presented by its fast-aging population, Japan has moved to leverage its regional leadership in the provision of healthcare, and to create a healthcare economy by developing hi-tech products and services for its elderly that can also address the needs of a rapidly aging Asian population.

Indeed, a key driving force behind the Abenomics growth strategy is the urgent need to turn a growing mountain of lemons (the growing needs and costs of a super-aged population) into a river of lemon-aid (an engine for medical innovation and economic growth). •

# NEW ELECTRIC ERA?

Tesla must adapt its vehicles to succeed in Japan

By Dominic Carter

**A**nyone paying attention to the stock market over the past six months will have borne witness to the incredible run up of the price of electric vehicle maker Tesla Motors, Inc.

Back in March the stock was trading in the mid thirties, but had reached almost \$170 by September. At this price, the market capitalization of Tesla is \$20.5 billion—two-fifths of that of General Motors Company (GM)—which is massive for a company that has been around barely a decade.

Tesla is clearly hot to trot and is shaping up to be *the* American industrial success story of the decade, if not beyond.

The company's latest bout of publicity was driven by the fact that the Model S sedan was recently awarded a five-star safety rating in every category by the National Highway Traffic Safety Administration (NHTSA).

Although the NHTSA denies it, rumor has it that the Model S actually scored an average overall Vehicle Safety Score of 5.4—a new record.

The brand is making strong gains in California, where it is the third-best-selling luxury sedan in the state. This means that it is already in greater demand than marques such as Cadillac, Porsche and Volvo.

Despite its high-end competitors, Elon Musk, the company's young

**The brand is making strong gains in California, where it is the third-best-selling luxury sedan in the state.**

founder, has higher ambitions. Musk recently told reporters: "What the world really needs is a great, affordable electric car. I'm not going to let anything go, no matter what people offer, until I complete that mission."

In the midst of this American industrial renaissance story, what is less well known are the company's strong ties to Japan.

Key, of course, to any electric vehicle (EV) is the battery. Tesla is working very closely with Panasonic Corporation and, in June, the Japanese electronics manufacturer announced that shipments of their automotive-grade lithium-ion battery cells would surpass 100 million units by the end of the month.



Tesla's Model S Sedan achieved a five-star rating in every category by the National Highway Traffic Safety Administration.





**Tesla is clearly hot to trot and is shaping up to be the American industrial success story of the decade, if not beyond.**

The partnership with Panasonic runs deep. The two companies are also collaborating on technology for lithium-ion battery cells for the next generation of electric vehicles.

In addition, Tesla works with Toyota Motor Corporation, which has purchased a stake in the company and committed future investment. Meanwhile, Tesla has bought a section of Toyota's Fremont-based plant.

As a result of that partnership, Toyota recently announced a full electric version of its popular RAV4 mini-SUV model.

Tesla is working closely with Japanese industry, but what about Japan's consumers? They have taken to modern propulsion technology like no others in the world.

Helped by government subsidies and tax incentives, hybrids make up 40 percent of Toyota's sales and around 10 percent of the market overall, with Toyota's Prius being the market leader.

Given this openness to innovation, Tesla should be fishing in the right pond but, despite the hype about a new electric era of motoring being just around the corner, hybrids are showing enduring popularity with car buyers here.

The immaturity of the pure electric category is very evident when you consider an issue that is relevant not only to Japan: range.

The Nissan Leaf, for example, gets only 75 miles per charge, whereas Toyota's Prius hybrid has an expected range in the vicinity of 540 miles in "blended" mode.

While this highlights one of the main selling points of the Model S—provided you can cough up the roughly ¥7 million for a pure EV—its 265-mile range is quite impressive.

While pure EVs appeared a likely hit prior to the 2011 disasters, many Japanese now are put off by associations with TEPCO and the other Japanese power companies that provide the energy source that is necessary for Tesla to function.

It is still too early to say whether Tesla will make a significant impact in the Japanese market beyond a premium specialty niche. Further, for a foreign brand to succeed on any scale in Japan, it must adapt its products and sales practices to the needs of the market. Sometimes significant changes are required.

However, if they can convince Mr. and Mrs. Watanabe in Japan to finally go electric, Tesla seems well placed to chase a much wider target than just captains of industry. •

A section of Toyota's plant in Fremont, California, has been purchased by Tesla.



Hybrids comprise 10 percent of car sales in Japan.



Dominic Carter is representative director and CEO of The Carter Group



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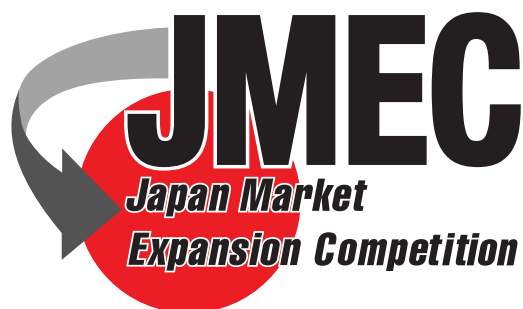
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# FENG SHUI IN THE WORKPLACE

A balanced and harmonious office promotes prosperity

By Darren McKellin and Michiaki Tanaka

**D**o you believe in feng shui? Developed over 4,000 years ago in China, feng shui is believed to govern spatial arrangement and orientation in relation to the flow of life energy. Its favorable or unfavorable effects are taken into account when designing buildings.

It has a broad following in Asia among people wishing to determine, for instance, the most auspicious design and layout for their home or office. By achieving the maximum harmony between themselves and their surroundings, these devotees believe they can increase their good fortune.

In ancient China, only the emperor used feng shui, so until recently it was treated as a secret technique. However, feng shui has now become a generic term for increasing good fortune in the home and workspace, and has found favor in some circles in Japan for its promise to create a harmonious life.

Tokyo is a densely populated metropolis where, due to lack of space and several unusual buildings designed during the bubble era (1986–1991), many companies are housed in buildings with strange designs and floor layouts.

Thus, the building in the above picture was designed so that the sun could reach the lower floors of the building next door. As a result, the top of the building is much larger than its base. This has created instability and produced poor feng shui.

The building, erected in 1993, was the headquarters of the Long-Term



The shape of this building has created instability and bad feng shui.

Credit Bank of Japan, Ltd., which went bankrupt about five years after moving to the building.

While architects are increasingly incorporating feng shui principles into their designs, finding the right building, in the right location, and with the right design can mean the difference between success and failure in business.

Basic feng shui practices can be learned by reading books and studying. However, clarity on the subject and in-depth consultations can be provided by professional feng shui consultants.

A good feng shui consultant will make optimum use of the natural surroundings of a space. They will recognize that windows that let in natural light minimize the need for artificial lighting and give an office a more balanced and comfortable atmosphere.

The underlying principle of feng shui in the office is to provide workers with an environment that is harmonious, promotes teamwork, and generally is a pleasant place to work.

Understanding the good luck and money areas—as well as the bad luck areas—of one's office can make a big

difference in the fortunes and sales of an organization.

One of the most important areas of any office is the entrance. A good feng shui plan ensures that no mirror faces the front entrance, as this will push good luck and money out the door. The entrance should promote a smooth inward flow of energy, and serve as a grounding transition between the outer and inner worlds.

If a building has a high tenant turnover, and several tenants have left due to financial difficulties, this should throw up a red flag. Certainly it is possible that appropriate modifications by a good feng shui consultant could counter the negative energy of a suspect building, but such structures are best avoided from the start.

One should be suspicious of buildings that seem to be empty and are being offered at less than the going market rate for the area. Due diligence may reveal the reason that previous tenants moved out.

Having a good feng shui consultant ensures one's workspace is balanced and in harmony, potentially major factors underpinning business success in Japan. But one should be sure to check a consultant's credentials and track record before engaging them for a project.

In some upcoming issues of the *ACCJ Journal*, we will analyze the general feng shui properties of some well known Tokyo buildings. •



Darren McKellin is co-chair of the ACCJ Information, Communications, and Technology Committee.



Michiaki Tanaka is a representative of the World of Feng Shui Japan and has been a feng shui consultant for over 10 years.

If you have any questions or tips, or should there be buildings you would like to see covered in our analysis, please email the editor-in-chief: [megan@custom-media.com](mailto:megan@custom-media.com)



# Spirit of the Ages

*HONKAKU SHOCHU AND AWAMORI*



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What are *honkaku shochu* and *awamori*? Like whisky, brandy and vodka, Japanese *honkaku shochu* and *awamori* are distilled spirits. They are made from grains and potatoes grown in Japan's rich, diverse climate, which are carefully mixed with *koji* mold, a fermenting agent. The unique distillation process ensures the bold flavors of the base ingredients are retained. Both *honkaku shochu* and *awamori* have been designated *kokushu* (national alcoholic spirits) as they embody the essence of Japan.

*Honkaku* (authentic) is the word used to describe handcrafted, locally produced premium *shochu*. *Awamori* is the Okinawan version of *honkaku shochu* and possesses a very distinct flavor. It is an inimitable cultural product passed down from the Ryukyu Kingdom.

Typically, the alcohol content of *honkaku shochu* and *awamori* is around 20–25%, although some varieties reach 40% and above. They are versatile

liquors that shine when served using traditional methods or as contemporary cocktails; they may equally be enjoyed before or after a meal, or simply on their own.

The drinks' purity is strictly controlled. The World Trade Organization has granted four regions—Iki, Satsuma, Kuma and Ryukyu—appellation of origin status. This means the regional identity of *honkaku shochu* and *awamori* will be protected for future generations of artisanal makers.

*Honkaku shochu* and *awamori* are also incredibly healthy. They have zero carbohydrates, are low in calories, rich in healthy properties and don't cause hangovers! Health-conscious and cosmopolitan drinkers love the beverages for these reasons.

Check them out for yourself, you won't be disappointed.

*Kampai!* May the spirit be with you!

***Honkaku shochu* and *awamori* have been designated *kokushu* (national alcoholic spirits) as they embody the essence of Japan.**



## Beneficial Health Effects

*Honkaku shochu* and *awamori*, produced from only natural ingredients, are low-calorie, zero-carbohydrate spirits that do not cause blood sugars to rise after consumption.

*Honkaku shochu* and *awamori* contain high levels of the enzyme urokinase, which can trigger thrombolysis, or the breakdown of blood clots, thus helping to prevent strokes and heart attacks.

Red wine is also rumored to be rich in urokinase. However, the concentration of the enzyme found in the blood after drinking *honkaku shochu* or *awamori* is 1.5 times higher than after drinking red wine.

# PLAYING THE GAME

Ability to adapt, plus a clear and realistic understanding of challenges women face are crucial for success

By Elizabeth Handover

**C**hristine Zeitz, president of the North East Asia division of BAE Systems, is the epitome of a natural born leader: smart and savvy, warm and poised, a highly engaging communicator, and with the confident ability to say how it really is.

Her leadership success has come from the tough lessons she learned along the way. These include adapting to every situation and having a clear and realistic understanding of the challenges that women face in leadership positions.

Zeitz started her journey 25 years ago, by building a successful career in the heart of the male-dominated defense industry.

Her first lesson came while studying accounting and economics in college. The young Zeitz had a vibrant personality and the image to go with it: multi-colored hot pants, long hair, and crazy jewelry.

After attending an interview she thought had gone very well, she didn't get the job. And by graduation, she was still unemployed.

However, Zeitz registered at a placement agency and, within the week, received a call to go for an interview with BAE Systems.

The firm was looking for a graduate accountant and, this time, for the interview she wore a grey suit, crisp white shirt and conservative black shoes. She removed her jewelry, braided her hair, and toned down her personality. She got the job and, with it, her first understanding of the importance of perception and fitting in.

Zeitz's career is filled with tales of stereotypical assumptions and bias she has faced, and the challenge of what was perceived possible for her to do as a woman in her job role.

She was reminded repeatedly that, to succeed, it is essential to fit in, and that stakeholder perceptions must be carefully managed.

As she moved into a management position, she needed to communicate and collaborate with, lead, and coach mainly middle-aged men, most of whom had previously been in the military or were engineers or tradesmen.

She adapted, presenting herself as accessible, someone to whom people could relate. Most importantly, she was perceived as non-threatening.

This, of course, is only part of it. Zeitz worked hard to be the best she could be, made important contributions and, above all, ensured her excellence did not go unnoticed.

Leadership research in the United Kingdom suggests that impact is three times more important than performance, while exposure is six times more important for moving ahead a career.

Zeitz recognizes that, inherent in her story, is the continuing conundrum and contradictory perception of women as leaders.

Women need to fit in, be accommodating, be one of the team, as well as demonstrate leadership abilities, and be noticed. Step too far one way and women are seen as acquiescing and weak. Step too far the other way and they are seen as



Christine Zeitz is president of the North East Asia division of BAE Systems.

tough and aggressive. It's a tricky path to negotiate.

Zeitz stressed that, despite the rules sometimes being unfair or biased, women have to learn to play by the rules of the game and stay on the team. "Most importantly, you want to stay *in* the game . . . Why? Because, as you move up into positions of influence, you can change the rules," she said.

Zeitz indeed has changed the rules. As one of the operations directors of BAE, she brought three women onto her management team, raising the bar for other such teams who only had one female.

With the birth of her second child, she changed to a part-time position and, after three years, realized she had fallen off the company HR system. Thus, she set about getting the company to change its rules.

Now all part-time employees are included in succession planning, talent forums, and incentive programs. This is in line with full-time employees.

On returning to work full-time, she soon had a heavy workload, including travel commitments. She negotiated more flexibility and, since then, Zeitz has worked with BAE to change the workplace culture. Now the company accepts flexibility as the norm.

Zeitz has successfully negotiated the defense industry's corridors of power while keeping her focus on the bigger picture. Along the way she has always been committed to making things better for the women—and men—who come after her. •



Elizabeth Handover is co-chair of the ACCJ Women in Business Committee and president of Intrapersona K.K., Lumina Learning Asia Partner.

elizabethhandover@luminalearning.com



# BUILDING BUSINESS

Social networking sites are  
important career and communication tools

By John Ghanotakis, Amir Khan, and Timothy Trahan

In Japan, social networking is used for business by people in a variety of organizations and industries. As a communication tool, its use goes beyond viewing of photographs and gaming.

Although not used as commonly as email, social networking websites and mobile applications—such as LinkedIn (see page 22), Line, Facebook, Skype, and iMessage—serve as communication tools and provide information.

Many businesses see these websites and services as distractions or potential risks, and often ban them from company networks. This may be necessary in industries where the flow of information must be closely guarded. In some companies, however, social networking sites are a tool for making money.

Providing information about products and services is a vital step in the sales cycle, and both LinkedIn and Facebook have devoted parts of their sites to company profiles, sales presentations, and information on company events.

Some firms put their businesses on LinkedIn so they show up in Google search results. Both LinkedIn and Facebook allow employees to create pages about companies, including their products and services. However, the two sites are considerably different when it comes to evaluating their usefulness in business.

When one views a company page, LinkedIn automatically provides a list of current and past employees. Thus, by following a few links, a savvy user can find, for example, a contact name, and identify a country head of human resources or the chief executive officer of an organization.

Such an online company directory is highly useful for potential clients, who can make inquiries about a specific company representative who they believe has information about relevant products and/or services. Organizing the appropriate company information takes only a few minutes per month.

**LinkedIn and Facebook . . . are considerably different when it comes to evaluating their usefulness in business.**

Conversely, on Facebook, company pages are secondary to lists of friends. Promoting a company or product usually involves placing paid advertisements.

LinkedIn hosts business-focused discussion groups. The groups of Business in Japan, GoodPeople, and the ACCJ host discussions among business professionals in their respective fields on specific business-related issues that pertain to Japan.

Business professionals will often chip in their opinions, as a result of which conversations will cover a broad range of topics, such as the upcoming Trans-Pacific Partnership negotiations to the new visa regulations.

The discussion groups often have content on interesting events or seminars, covering business topics other than those touched on by the ACCJ, where professionals can meet and interact potentially to build business relationships.

Many social networks provide communication tools to facilitate the building of business relationships. At times, one finds important customers among their friends on Line, Facebook, and iMessage.

Such sites are better than email, because of the immediacy they lend to communication, and their less formal style. It can even be more convenient, when people are away from their desks, to send a quick message to propose something.

The sites and applications that allow text messages to be sent and received are sometimes more robust in an emergency than other communication networks. For example, at a crowded fireworks display or concert, mobile phones may not work. Thus, during the Great East Japan Earthquake, only public telephones were working. In such situations, social networks are sometimes the only way to reach people.

Meanwhile, it is worth noting that one division of a foreign bank unofficially has designated Line's group chat feature as plan B, should another emergency occur.

Of course, there also are other ways to network. Attending ACCJ events is a great way to meet new people, interact, enjoy conversations, and meet potential clients. We've seen social networking sites used by businesses for advertising, to boost employee relations, to conduct damage control, and as a business continuity tool.

Much like telegrams, telephones, fax machines, and email, social networking services have changed the speed with which business is conducted. •



John Ghanotakis (chair), Amir Khan, and Timothy Trahan (vice chairs) are members of the ACCJ Young Professionals Group Subcommittee.

# RICH JAPAN, LUCKY ABE

The country is now poised for a new cycle of prosperity and wealth creation

By Jesper Koll

**J**apan stands at a key inflection point. After decades of de-facto stagnation and deflation, growth and inflation are now there on the horizon.

The Japan consensus may still be much too conservative and pessimistic; the majority of analysts still think Prime Minister Shinzo Abe will fail to achieve his goal of 3 percent growth in nominal GDP and 2 percent in real GDP.

Yes, Team Abe deserves some credit for launching a high-profile, all-out attack on deflation. Certainly, top-down public sector leadership is important. But the real reason for my optimism, and view that Japan is now poised for a new cycle of prosperity and wealth creation, comes from the private sector.

After two decades of serious adjustment, Japanese households are now in a good position to deliver a consumer-led up cycle that is poised to surprise in terms of size and length.

To be bullish on consumption, we need two essential forces: rising incomes and positive wealth. Both are pointing in the right direction.

Real estate is key to consumers' wealth and their feel-good factor. This is because home ownership in Japan is extremely high. Some 73.1 percent of all Japanese households own the home in which they live. In the United States, the figure is about 68 percent, and around 55 percent in the countries of Europe.

Owning your own home is one thing; carrying debt is another.

Over the past 15 years, Japanese consumers have been extremely focused on cleaning up their balance sheets. They have reduced debt by

almost ¥50 trillion (about 10 percent of GDP). The net result: 44 percent of all Japanese over the age of 20 are now completely debt free and own the home in which they live. In the United States the comparable rate is slightly less than 20 percent. Thus, Watanabe-san is very rich indeed.

The strength of consumer balance sheets is particularly impressive when put in the context of the massive negative wealth effect forced by the real estate crash.

Between 1990 and 2012, the total value of household sector land and of homes dropped from ¥1.5 quadrillion to just below ¥700 trillion. In absolute terms, the price of real estate fell back to a level last seen in 1985. Thus, one generation of wealth was wiped out. Yet the Japanese carried through, paid off their mortgage debt, and did not rush to sell or be forced to foreclose.

No doubt this paying off of negative wealth was a big factor forcing the feeling of a lost generation or decade. But now the fruits of this hard-borne adjustment are about to come through.

Any sign of real estate prices and home values increasing will generate unprecedented positive wealth effects.

Meanwhile, the income cycle is beginning to turn around in a noticeable way. The driver here is basic economics: demand and supply.

Regarding supply, the number of people in the workforce has started to drop. Japan's demographic destiny is real. At the same time, the demand for labor is increasing. Part of this is because of the business cycle; the economy is recovering.

**To be bullish on consumption, we need two essential forces: rising incomes and positive wealth.**

The more important factor, however, is structural. It is linked to Japan's demographics: as society ages, demand for services rises. The older you get, the lower your demand for goods, but the higher your demand for services catering to your individual needs.

Over the past decade, employment in manufacturing has dropped by about 1.6 million people. However, the individual services sector has created 1.3 million jobs, the merchandizing sector—mostly retailers—has created another 900 million jobs, and Japan's not-for-profit sector created 360 million positions.

Of course, manufacturing pays better than services. The average annual income for industrial workers is ¥5.2 million, while the average service sector pay dropped from ¥4 million to ¥3.2 million over the past decade.

However, this is now poised for a positive turn, as the supply of labor is beginning to drop. Japan's unemployment rate has already declined to 3.8 percent and, I believe, a slide to 2.5 percent over the next year is a very real possibility.

As Japanese labor gets scarce, its price will go up. Add to this the super-clean balance sheet and positive wealth effects, and you're set for a powerful domestic demand up cycle. Abe is a lucky man because Mr. and Mrs. Watanabe have done the hard work already. •



Jesper Koll is a managing director and head of research at J.P. Morgan Securities LLC.

# HELPING PATIENTS BREATHE EASIER

Unique social media campaign  
raises awareness about pulmonary disease

By Kumi Sato

**C**hronic obstructive pulmonary disease (COPD) makes it so hard to breathe that sufferers are unable to carry out routine tasks. Even getting dressed or taking a bath is difficult. The ailment thus is referred to as a silent epidemic in Japan, where it is the seventh leading killer of men.

About 90 percent of COPD sufferers are smokers or ex-smokers, so the disease is preventable. It is also treatable with the right prescription medication. A simple clinical test can detect COPD and, with treatment, many patients go on to live happy, healthy lives.

In the past, potential COPD patients didn't know about the disease or the treatments available, or were reluctant to go to the doctor. And in Japan, pharmaceutical companies are not allowed to market drugs directly to consumers—even if those products are proven to save lives.

So how do potential patients find out about important medications such as those used to treat COPD? Through effective healthcare communications.

In the case of COPD, Nippon Boehringer Ingelheim (NBI), together with COSMO Healthcare, created an effective communications strategy that makes use of both traditional and social media.

The campaign raised awareness about COPD, prompted potential patients to get tested, and eventually put medicine in their hands to treat the condition. Breathing became easier for many COPD patients, thanks to an innovative and effective campaign.

## How It Worked

Research showed that men over 40 years old were at greatest risk for COPD, but also the most likely to avoid treatment. People who exhibited COPD symptoms would say, "It's not that serious," or "I'm too busy to go to the doctor."

Studies also showed that men in the high-risk category were more likely to seek medical advice at the urging of their wives and daughters. Women aged 20 to 40 were the greatest users of social media and blogs. Thus, these women were the campaign's key communication targets.

While social media was the focus, the strategy also employed traditional Japanese elements, including *ema*—the small, wooden plaques on which Shinto worshippers write prayers. *Ema* are usually hung at public shrines and offer prayers for things such as good health and passing entrance exams. However, our plan was virtual: people would post *ema* on a website called *Iki Iki Jinja* (*iki iki* meaning energetic and full of life; *jinja* meaning shrine) and email them to loved ones.

Traditional media, bloggers, and medical experts were also enlisted as part of the campaign.

At a conference to mark World COPD Day, doctors released background information about COPD. The results of a large survey show that 80 percent of potential patients would go to a doctor if prompted by their family.

Key power bloggers were invited to be the first ones to write and send *ema*. These online opinion leaders would



Users of the *Iki Iki Jinja* website posted *ema* and emailed them to loved ones.

play an important role in getting the message out.

Ultimately, the campaign generated enormous interest. By the end of June 2013, over 35 million people had been reached and more than 5,200 *ema* had been sent to potential COPD sufferers.

Most importantly, follow-up research showed that online engagement translated into effective action. About 47 percent of *ema* recipients said they would see a doctor about COPD.

The campaign showed that healthcare communications could be effective in reaching targeted audiences. It also proved the power of social media, integrating blogs, websites, email, and other online activities.

The effort prompted behavioral change in hard-to-reach patients by capitalizing on influence they listened to most—from their loved ones.

In addition, the campaign demonstrated that in an environment where advertising and direct marketing are unavailable, creativity is the key to educating the public, spreading a message, and perhaps, even saving lives. •



Kumi Sato is president and CEO of COSMO. She served as chairman of the ACCJ from 2011–2012 and is currently the vice-chair of the ACCJ's Labor Force Diversification Task Force and the Growth Strategy Task Force.

For more information, please visit:  
<http://ikiiki-jinja.jp>



# ENGAGE AND BE HEARD

A shift in media consumption means companies must better connect with consumers to maintain relevance

By Deborah Hayden

In Japan, public relations is viewed as a loss-leading service performed by the mighty advertising giants, a reactive service that does exactly what the client asks, and gives little in the way of strategic advice.

Advertising has traditionally driven the solution to any marketing campaign. Solutions include the 30-second TV commercial that Dentsu Inc. and Hakuhodo Inc. do so well, or the print advertising that is keeping Japanese media afloat while international competitors are drowning in red ink.

However, the elusive key stakeholder that is the target of advertising and public relations campaigns is changing.

She—the consumer—is now busier than ever and is rapidly devouring multiple news, commentary, and social media sources on her mobile device during her morning commute.

More than half the world's adult population read a daily newspaper, with 2.5 billion doing so in print, and 600 million (and growing) in digital format, according to the 2012 World Press Trends survey by the World Association of Newspapers and News Publishers.

And people are watching less TV. According to Nielsen data for the first quarter this year, those in the 25–34 and 35–49 age groups watched about an hour less TV per day. The biggest drop was for the 18–24 age group, while the over 50s were watching more TV.

So what to do with these expensive advertisements? Are they reaching their key stakeholders? Nielsen's Global AdView Pulse shows global advertising spend is struggling; print

advertising decreased around the globe in the first quarter of 2013 (–2.8 percent for magazines, –4.7 percent for newspapers). Meanwhile, TV spend was up (+3.5 percent), as was non-traditional spend on outdoor advertising (+4.3 percent) and the internet (+26.3 percent).

In addition, we are seeing a shift in how companies react with stakeholders in campaigns. In traditional public relations and advertising campaigns, key stakeholders were “told” about new ideas and products and why they needed them. With the shift in media consumption comes a change in how key stakeholders relate with companies: they want to engage and be heard.

To maintain relevance in the marketing and communications world today, companies need to engage in conversations with their key stakeholders. This means telling stories that resonate and elicit a reaction, rather than simply “informing.” Compelling content has never been more important in this two-way world.

As companies strive to be creative, meet their business needs, and stand out from the crowd, they need to factor in this new marketing and communication landscape.

But the challenge is even greater for the marketing, public relations, and advertising agencies. No longer can a communications campaign be run on instincts alone. What worked in the past—as the statistics show—is not necessarily going to result in wider public engagement today.

To be more impactful, more inspiring, and more engaging,

**The elusive key stakeholder that is the target of advertising and public relations campaigns is changing.**

campaigns need to be driven by well-researched insights to engage in conversations with key stakeholders to create a reaction.

Communications campaigns need to tell compelling stories and public relations companies must move outside their comfort zones and go beyond the simple press release.

To stand out from the crowd, the storytelling and engagement with key stakeholders will be driven by creative ambition and must encompass all media.

Companies must rely on their communications advisors to get the strategic advice they need to ensure that campaigns are created to be ahead of the curve.

Campaigns need to be based on compelling stories, those that engage with their important stakeholders. This requires a new relationship with media. As the media landscape becomes more diverse and fragmented, communications advisors need to navigate this complex evolving landscape to benefit their clients.

It's an exciting time for communications—a brave new world. As Japanese companies look to increase their footprint on the global stage, they will need to seek the best advice available to ensure their messages and stories are heard.

Relying on the safe, traditional approach will be akin to throwing money away by telling consumers things they don't want to hear.

It is time to move outside the comfort zone. The rewards of a new level of engagement with key stakeholders will be well worth the effort. •



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

# CHANGING FACE OF MOBILE MARKET

Digital and traditional communication methods are still relevant here

By Dave McCaughan

Japan seems to be a mix of technological leadership and deep tradition. In a lot of ways, the marketing communications world reflects that mix.

The internet, mobile phones, online gaming, and all things digital are gradually taking over the media scene. Even television has become part of that landscape here, since Japan's transition last year from analog to digital television. In 2009, the internet became a catchall category, overtaking newspapers and becoming the number two avenue for advertisers.

This year, the internet is expected to account for around 16 percent of total advertising spend. Television will continue to dominate, while newspapers are expected to retain a better grip on the advertising market than in most other countries.

Unlike in Western countries, newspaper sales are primarily on a subscription basis in Japan.

The fact that the median age in Japan is 49 means TV viewers are numerous and, as with newspapers, "community credibility" is keeping the medium alive.

Our research shows that newspapers experienced a boost after the March 11, 2011, triple disaster. This is because people across the board believed them "more trustworthy" sources of information.

Last year, we surveyed moms of young families in nine countries, asking them which mediums they trusted most for advice. As in the other countries, moms in Japan first acknowledged their family and close friends, but also cited high-ranking blogs by so-called experts in the public eye.

But Japan differed in that moms here ranked broadcast television five times higher in terms of trust than did those in the other countries. Why? Because they saw it as the best medium through which to understand what everyone else knew and, thus, what was considered the norm.

This shows that the Japanese custom of not wishing to stand out drives media habits.

Meanwhile, the use of mobile media is universal. Among the surveyed moms who owned a smartphone, over 90 percent told us that they use it for shopping, comparing prices, seeking blogger advice, or finding out more about a product claim.



Maybelline's Baby Skin mobile site is trying to make messaging feel like a game.



Dave McCaughan is general manager of McCann Japan and regional director of McCann Truth Central Asia Pacific.

In international research we conducted into privacy, we found that there are five types of people willing to trade information for rewards. The largest group accounted for some 36 percent of all those we interviewed, but accounted for a whopping 60 percent of interviewees in Japan across all ages.

This group, regardless of country, is more than happy to give out information for more rewards on their shopping point cards. The Japanese love those point cards.

The average 35-year-old female Japanese interviewee indicated she had around 17 retail point cards in her purse or, more likely, electronically embedded on her smartphone.

This mobile shopping is one reason that direct mail and, more importantly, insert flyers are gradually dying as a medium.

Note I use the term shopping. The Japanese are still relatively reluctant to use mobile means of payment, although this is changing. The big money

lies in understanding that shopping is about helping potential consumers find offers and alternatives before they make an actual purchase.

However, Japanese are getting sick of offers. They have had access to the internet via their phones for longer than people in any other country, as well as to such feats of technology as QR codes. Thus, not surprisingly, our research shows that over 60 percent of Japanese mobile users are disappointed with the content of commercial messages.

Perhaps this is to be expected, since Japanese represent the largest number of players of online mobile games.

Mobile-videogame companies such as Mobege and Gree, Inc. have created a marketplace where people expect the highest levels of simple entertainment on their mobile phones. And the game for advertisers is to meet these expectations.

Advertisers, as we see from Maybelline's Baby Skin mobile site, are attempting to give messaging the feel of a game. When it comes to mobile messaging, it seems, the key concept is: keep it fun.

So the old media provide security, while the new give opportunity and a shopping edge. •

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Foreign companies in Japan often don't know where to start with Japanese media. Our job is to help businesses find and manage opportunities.

—Dan Underwood, managing director



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—Sam Bird, client services manager



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—Robert Heldt, president



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—Richard Kipnis, executive producer

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—Jonathan Kushner,  
managing partner Japan and  
representative director

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—Marc Wesseling, director



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# A NEW CHAPTER IN THE *JOURNAL*

Custom Media

Photos by Gamma Siregar

Spirits were high and flowing freely at the *ACCJ Journal* Relaunch Party, held on September 6 at the Tokyo American Club (TAC).

Hosted by the ACCJ Special Events Committee, the celebration drew attendees from more than 23 companies to celebrate the redesign of the magazine and the partnership between the chamber and publishers Custom Media K.K.

Darren McKellin, chair of the Working Group that managed the proposal process for the new *Journal*, gave the opening address to the crowd of 75.

“The Working Group studied the communications strategies of many organizations similar to the ACCJ and eventually decided to do an RFP [request for proposal] for a new vendor. The proposal we received from Custom Media blew us away. The ACCJ looks forward to a long and close relationship with Custom Media moving forward,” he said.

The ACCJ’s Executive Director Samuel Kidder also spoke, welcoming Custom Media and its staff to the “ACCJ family.”

Finally, Custom Media President Robert Heldt thanked all those present for their support of the relaunch.

In addition to the high-quality tipples and hors oeuvres typically offered at a TAC event, a silent draw was held for seven door prizes. •



- 1 Custom Media President Robert Heldt
- 2 Vicki Beyer, ACCJ vice president, and Mark D. Baldwin, business director of Invesco Global Real Estate Asia Pacific, Inc.
- 3 Dr. Greg Story (left), president of Dale Carnegie Training Japan, and Dominic Carter, representative director and CEO of The Carter Group
- 4 George Ohyama (left), ACCJ committee coordinator, and Darren McKellin, ACCJ Working Group chair

## DOOR PRIZE WINNERS

### One-night stay with breakfast at Gate Hotel

- Nils Herchenroeder of SIHM Inc.
- Jeffrey Swartz of ProWorks Consulting K.K.

### Two-hour tennis court rental (courtesy of Shuei Wellness Co., Ltd.)

- Dennis Muldowney of Crown Worldwide K.K.
- Masahiro Tanaka of Garde Co., Ltd.
- Julian Ryall, Custom Media

### Three yoga lessons (courtesy of Shuei)

- Jay Ponazecki of Morrison & Foerster LLP
- Masako Sakamoto of Oakwood Premier Tokyo Midtown

# GOOD FUN FOR A GOOD CAUSE

Annual gala promises a night of fine wine, cuisine, and entertainment

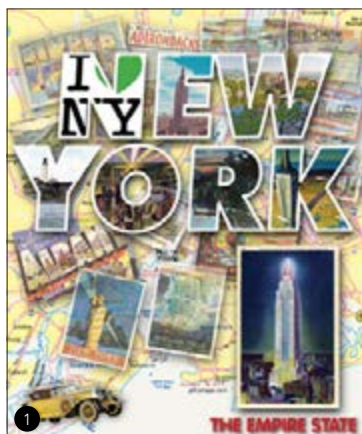
By Barbara Hancock

**T**his year's ACCJ Charity Ball, with the theme of "New York—The Empire State," will be an incredible evening of fabulous food, wines, dancing, and entertainment, all while raising money for charity.

The ball, always the most anticipated event of the holiday season, will be held on Saturday, November 30, 2013 at the Tokyo American Club. In addition to fine wines and remarkable cuisine, a host of activities and amusements throughout the night will be sure to keep you in high spirits.

Our team is still working on the details, but we do have some information to share at this stage. We encourage you to check the website (<http://accjcharityball.org/>) over the coming months for updates. What's in store for you this year:

- A spectacular menu and wine pairing, highlighting the bounty of New York State from Hudson Valley Foie Gras to Hard Cider Martinis.
- Great entertainment—more on the details later. To guide us through our evening will be our gracious hosts and former Tokyoites Lisle Wilkerson and auctioneer extraordinaire Jeff Shimamoto. We are thrilled this team will be in Tokyo for our event.
- We are working to bring you a host of exceptional prizes including an array of products, hotel packages, and airline tickets for the lucky winners of the silent/live auctions and raffle draw.



Your entire Charity Ball Committee, chaired by myself and with Kevin Naylor as vice chair, is working hard to bring you a truly memorable evening. In addition to providing our membership with this festive opportunity to bring the year to a close, all of us at the ACCJ are also committed to making this a night of support for our primary charities.

Our member companies have been generous with their donations and we are proud to have the support of Aflac Incorporated and Boeing Japan as top sponsors.

We hope you will consider making even a small donation of cash, prizes,



or services using any of a variety of options for giving.

All financial donations in excess of costs will be donated by the ACCJ to this year's primary charities as well as to the ACCJ Community Service Fund and the Mike Makino Fund for the Homeless.

The pride that many ACCJ members share regarding the ACCJ's role in the community is a big part of our reason for being members. Thank you in advance to those of you who will take advantage of this event opportunity.

We look forward to seeing you at the ACCJ Charity Ball. •

- 1 The theme of the 2013 Charity Ball is "New York—The Empire State."
- 2 Former US Ambassador John V. Roos at the 2012 Charity Ball.
- 3 Laura Younger, deputy executive director, and ACCJ Chairman Michael J. Alfant at last year's event.
- 4 Live music entertained the guests.



Barbara Hancock is vice president of Media Sense KK, and chair of the ACCJ Charity Ball and Tokyo American Club Culture, Community and Entertainment committees.





1 —————  
Steve Burson, ACCJ Chubu Chapter vice president, presents a Certificate of Appreciation to Professor Keitetsu Rokugo, Dean of the Faculty of Engineering at Gifu University, on August 9.

2 —————  
Attending a meeting with Dr. Hideki Mori, president of Gifu University, on August 9 are (from left): Deryk Langlais, chair of the ACCJ Mobility Manufacturing Committee; Dennis Lischak, vice chair of the ACCJ Chubu Chapter's Community Service Committee; Dr. Hideki Mori; Mizuno Tamiki, American Consulate Nagoya; Yuji Suzuki, vice chair of the ACCJ Chubu Chapter's External Affairs Committee; and Noriko Kato, ACCJ Chubu Chapter operations manager.

3 —————  
ACCJ Chubu Chapter members tour the USS Higgins on September 4.

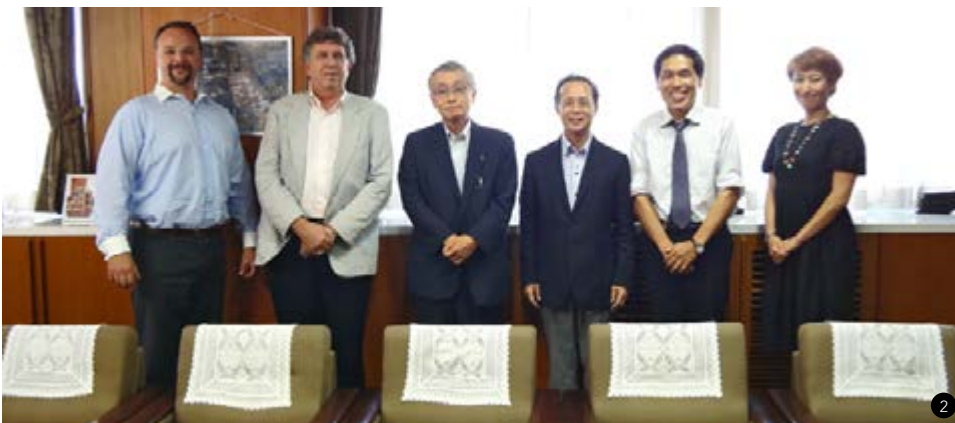
4 —————  
ACCJ members' children with Hyogo Storks (Japan Basketball League) players Carl Hall (left) and William Knight at the ACCJ Kansai summer basketball event on August 18.

5 —————  
Jean-Raphael Felus, Alain Rigodin, and Herman Ehrlich of Team Europe and Kiran Sethi, vice president ACCJ Kansai Chapter, celebrate the team winning the No. 1 spot at the ACCJ Kansai World Barbeque Classic V on June 1.

6 —————  
Neways Japan President Terry White gives an insightful talk entitled "The Three Ages of Customers" on September 9.

7 —————  
Attending the ACCJ Journal Relaunch Party are: former ACCJ intern Jordan Wyndelts (left) and Jay Ponazecki, co-chair of both the ACCJ Membership Relations Committee and the Women in Leadership Subcommittee, at the Tokyo American Club on September 6.

8 —————  
Cliff Rosenberg, managing director of LinkedIn Australia, New Zealand, and Southeast Asia; and Timothy Trahan, vice president of the ACCJ Young Professionals Group Subcommittee, at the group's event, "Transforming the Way Professionals and Businesses Work with Social Media" on September 10 (see page 22).





5



6



7



8

## FALL EVENTS

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

### October 4

Mercedes-Benz Japan Cup 2013

### October 16

Fall Meet and Greet, Conrad Tokyo

### October 19

Kansai Walkathon

Check [accj.or.jp](http://accj.or.jp) for more details.

### Social Media

The ACCJ is getting more social! Please visit our social media pages to access exclusive event images, videos, notices, and more. Show your support and don't forget to Like and Share!

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### Want to list your event?

If you have an event you would like to post on the Community Events page, please send an email to the ACCJ Communications Department. Include the details—time, date, venue, prices, contact information—and a brief description, totaling no more than 100 words. Please note that the posting of this information will be at the discretion of the ACCJ Marketing & Communications Department. Contact: [comms@accj.or.jp](mailto:comms@accj.or.jp)



Compiled by the Taxation Committee, Foreign Direct Investment Committee,  
ACCJ Financial Services Forum, and Growth Strategy Task Force

## Enhance Investment and Stimulate Economic Growth through Extension of the Net Operating Loss Carry-forward Period

## 欠損金繰越期間の延長を通じた投資の促進と経済成長の推進

### RECOMMENDATIONS

To promote greater long-term investment in Japan and stimulate growth in line with Prime Minister Abe's Japan Revitalization Strategy, the American Chamber of Commerce in Japan (ACCJ) recommends that Japan lengthen the carry-forward period allowed for companies to utilize net operating losses (NOLs) from the current nine years to an unlimited period.

The ACCJ also recommends that the extension be applied to all existing losses. This step would encourage new investment into innovative technologies and industries that would require massive start-up capital (e.g., in industries such as energy or biotechnology), and would enable all types of companies to undertake large-scale reorganizations to transform their business.

### ISSUES

In its viewpoints, *Tax Reform for Enhanced Financial Competitiveness and Sustainable Economic Growth* (ACCJ Financial Services Forum, October 2008) and *Enhance Investment and Stimulate Economic Recovery through Extension of the Net Operating Loss Carry-forward Period* (Foreign

Direct Investment Committee, ACCJ Financial Services Forum, Taxation Committee, May 2009), and its white paper, *Charting a New Course for Growth—Recommendations for Japan's Leaders*, the ACCJ called for the unlimited extension of the NOL carry-forward period, noting the important role such an extension could play in stimulating productivity, bolstering investment, creating new job opportunities, and fostering economic growth.

The ACCJ appreciates that the NOL carry-forward period was in fact extended from seven to nine years as part of the 2011 tax reform, but believes an unlimited extension is needed to spur material investments and to put Japan on a level playing field with its global peers. Ongoing developments now clearly underscore the importance of immediate action on the NOL carry-forward period to help businesses deal with the rapidly changing environment by encouraging necessary and new investment for growth.

### Nine Years Is Not Enough

The NOL carry-forward extension from seven to nine years in the 2011 tax reform is still not sufficient to fully support the growth of innovative businesses and new investments. The restriction limiting NOL deductions

### 提言

日本における長期投資を活性化し、安倍首相の日本再興戦略に即した経済成長を促進するため、在日米商工会議所(ACCJ)は、企業に欠損金の繰越しが税務上認められる期間を現行の9年から無期限に延長することを日本政府に提言する。併せて、既存の欠損金残高すべてを繰越期間延長の対象とすることを進言する。この措置により、巨額の初期投資を必要とする革新的な技術や産業(エネルギー関連やバイオテクノロジーなど)への新規投資が促されるとともに、あらゆる業種・規模の企業において事業転換のための大規模な事業再編を行いやすくなることが期待できる。

### 問題点

「金融の競争力強化と持続可能な経済成長に向けた税制改正を」(ACCJ 金融サービスフォーラム、2008年10月発行)、「欠損金繰越期間の延長を通じた投資の促進と景気回復の推進」(対日直接投資委員会、ACCJ 金融サービスフォーラム、税制委員会、2009年5月発行)および「成長に向けた新たな航路への舵取り～日本の指導者への提言～」と題する白書において、欠損金の繰越期間の無期限延長が生産性の向上、投資の強化、新規雇用機会の創出および経済成長の促進に果たす役割の重要性を認識し、ACCJはその必要性を訴えてきた。2011年度税制改正において、欠損金の繰越期間が7年から9年に延長されたことはACCJも歓迎しているが、大規模な投資を促進し、日本の競争条件を諸外国に合わせるためにも、無期限への延長が必要であると考え。変化し続ける経済情勢からも、成長に必要な新規投資を実行しやすくし、企業が著しい環境の変化に対応できるようサポートするためには、繰越期間延長が差し迫った重要課題であることは明らかである。

### 9年では不十分

2011年度税制改正において欠損金の繰越期間が7年から9年へ延長されたが、革新的な事業の成長および新規投資を最大限支援するにはまだ十分ではない。また同時に、大企業その他一定の法人のみを対象として欠損金の繰越控除が当期所得の80%に制限されたが、これも繰越期間延長の効果を薄めている。日本



## Ongoing developments now clearly underscore the importance of immediate action on the NOL carry-forward period to help businesses deal with the rapidly changing environment by encouraging necessary and new investment for growth.

to 80 percent of the current tax base, which was introduced simultaneously and applicable only to large size companies and certain special-purpose entities, also undermines the overall effect of the extension.

As Nippon Keidanren notes in its *Proposal Concerning FY 2013 Tax System Reforms*, Japan's revised NOL carry-forward period still leaves Japan uncompetitive with other jurisdictions and should be extended to apply indefinitely.

Extension of the carry-forward period would encourage growth businesses to take risks or restructure their business models, and assure them that up-front costs and investments can be utilized over longer periods—indeed, such an extension would promote exactly the kind of long-term planning needed to promote innovative businesses and technologies. Expedient extension of the NOL carry-forward period would drive a positive growth cycle by attracting risk capital, both foreign and domestic, for new investments in Japan, which would in turn create new jobs, stimulating consumption and sustainable economic growth.

### Encouraging New Investments

Innovative businesses will be a major driver for next-generation economic growth. There are many steps that the government could take to spur new

investments from a tax perspective, but road, simple and across-the-board measures, as opposed to narrowly focused special measures, would be the most effective.

For example, relaxation of restrictions in utilizing NOLs in corporate restructuring and mergers and acquisitions would help businesses restructure, in part by attracting additional capital and investment from new investors. Expanding carry-back provisions beyond small and medium-size enterprises (SMEs) to large corporations, and increasing the number of years that NOLs can be applied would also be stimulative.

Each of these measures has merits, such as providing generally profitable companies with greater liquidity, and should also be considered. But, especially considering that the restriction of limiting NOL utilization to up to 80 percent of current-year tax base provides a minimum annual tax base, extending the allowable carry-forward period has the added benefit of boosting growth with no material current revenue loss for the government.

The availability of an unlimited carry-forward period would improve investment economics by making it almost certain that the tax benefits of investing money today will eventually be realized. In uncertain times,

経団連の平成 25 年度税制改正に関する提言においても、延長された日本の欠損金繰越期間は、依然として諸外国に大きく劣後しているため、無期限化すべきであるとされている。

欠損金の繰越期間延長により、初期費用や初期投資コストをより長期にわたって控除できるようになるため、成長事業にとってリスクが取りやすくなり、事業モデルの再編もしやすくなる。延長は、まさに革新的な事業および技術を推進するために必要な長期計画を支援するものとなる。欠損金繰越期間の迅速な延長は、国内外のリスク資本を日本国内の新規投資に向かわせ、新規雇用を生み出し、消費を刺激し、経済成長の持続に寄与する成長の好循環を推進することが期待される。

### 新規投資の促進

次世代の経済成長の主要な担い手は、革新的な企業である。政府が税務面で取りうる新規投資刺激策は数多くあるが、対象を限定した特別措置よりは、対象を広くしたシンプルで一律的な措置の方が効果は高い。例えば、組織再編や企業買収時の欠損金利用条件の緩和は、新規投資家からの追加資本や投資の増加などを通じ、企業の事業再編を後押しするだろう。また、中小企業に限定されている繰戻還付を大企業にも認め、繰戻可能な期間を延長することも景気刺激策として有効と考えられる。これらの手法には黒字企業の手元流動性を高めるなどそれぞれ利点があり検討の対象とすべきであるが、欠損金の繰越控除を当期課税所得の 80% に制限することで最低限の税収が確保されている現行税制を特に考慮すれば、政府にとっては即時の大規模な税収減を伴わずに成長を後押しできる点で、欠損金繰越期間の延長は一層のメリットがある。

欠損金を無期限に繰り越すことが可能になれば、現在行う投資の税効果がほぼ確実に将来実現することになるため、投資環境の改善に役立つ。景気の先行きが不透明な時代では、投資の見返りの実現が欠損金の繰越期間を経過するまで生じない可能性がある場合、企業は投資活動を躊躇する可能性がある。なぜならば、(税法上の繰越期間の制限により利用できなくなる欠損金が生じる場合) 実質的な課税所得に対してではなく、当初投資の回収に対して納税を要することとなるからである。

### 対内直接投資の推進

日本の欠損金繰越期間は先進国一般に比べて短く、対内直接投資に直接の影響を及ぼしている。現況では、欠損金の限られた繰越期間は対内直接投資を呼び込む上で、日本を競争上不利な

**Extension of the carry-forward period would encourage growth businesses to take risks or restructure their business models**

## Japan's effective tax rate is still among the highest in the OECD even after the recent tax rate cut, due in part to the short carry-forward period.

companies may hesitate to make investments if the payoff for such investments may not occur until after the end of the carry-forward period since the company would essentially be paying tax on a recovery of their initial investment rather than on actual taxable income.

### Promoting FDI

The comparatively short carry-forward period in Japan has direct implications for foreign direct investment (FDI). In the current environment, the limited period to utilize losses places Japan at a competitive disadvantage in attracting FDI. Overall, foreign investment into Japan plummeted from \$14 billion in January 2008 to less than \$2 billion in January 2013.

By comparison, the United Kingdom, Germany, France, Australia, Hong Kong, and Singapore have unlimited carry-forward periods, while in the United States, the carry-forward period is 20 years.

In a report by the Organisation for Economic Co-operation and Development (OECD) at the end

of 2011<sup>1</sup> that focused on tax-loss utilization, 10 of the 17 major territories surveyed had unlimited carry-forward periods. Of the remaining seven major territories, only Italy and Switzerland had carry-forward periods shorter than Japan's at the time of the OECD survey, and significantly, Italy in fact amended its tax rules shortly thereafter to adopt the unlimited carry-forward period of other major European countries<sup>2</sup>. Japan is clearly an outlier, and risks becoming more so as other countries move to lengthen their carry-forward periods.

Japan's effective tax rate is still among the highest in the OECD even after the recent tax rate cut, due in part to the short carry-forward period. Japan can lower the effective tax rate and stimulate investment by lengthening the time during which NOLs can be used.

Japan's rival countries in the region such as South Korea and Taiwan have lower effective tax rates than Japan. Their NOL carry-forward periods are 10 years, not attractive by OECD standards, but still longer than Japan's period, and without a usage

立場に追い込んでいる。国外から日本への投資は2008年1月の約140億ドルから、2013年1月には20億ドル以下にまで大幅に落ち込んでいる。

これに対して、英国、ドイツ、フランス、オーストラリア、香港、そしてシンガポールでは欠損金の繰越期間は無期限であり、米国でも20年間の繰越が認められている。経済協力開発機構(OECD)が2011<sup>1</sup>年末に発表した欠損金利用に関する報告書によると、調査対象となった主要17ヶ国のうち10ヶ国は繰越期間が無期限であった。残りの主要7ヶ国のうち、調査時点で日本より繰越期間が短かったのはイタリアとスイスのみであり、しかもイタリアはその後税制改正を行い、他のヨーロッパ主要国と同様に繰越期間を無期限とした。日本は明らかに特異な存在であり、他国が繰越期間を延長するにつれて、その特異性がより顕著になるリスクを抱えている。

日本の実効税率は、近年の法人税率引き下げを経てもなおOECD加盟諸国の中でも有数の高さであり、その原因の一つに欠損金の繰越期間が短いことが挙げられる。欠損金の繰越期間を延長することにより、日本は実効税率を引き下げると同時に新規投資を喚起できるだろう。

アジアにおける日本の競争相手である韓国や台湾などは、日本より実効税率が低い。両国の欠損金繰越期間は10年であり、OECD加盟諸国の基準からすると魅力は薄い<sup>3</sup>、それでも日本よりは長く、利用制限も付されていない。日本はアジア域内での競争力を失っていると言わざるを得ない。<sup>2</sup> 今こそ競争力のある税制、それもアジア地域の最低基準に合わせるのではなく、理想的には日本が競争上優位になれるような税制を導入すべきである。

欠損金繰越期間が長い国は、投資先を検討している企業にとってより魅力的に映り、自国の新規投資機会にリスクマネーを呼び込むことができる。欠損金繰越期間を無期限化するなど、リスクマネーが確実に日本国内の新規投資機会に向けられるよう、日本は積極的な措置を講ずるべきである。

1. OECD, *Corporate Loss Utilisation through Aggressive Tax Planning*, (OECD Publishing, 2011). <http://dx.doi.org/10.1787/9789264119222-en>.

2. Italy introduced a new rule in 2011, which allows a corporation to carry forward NOLs for an unlimited time while it introduced a usage limitation rule on such tax losses similar to Japan's 80 percent restriction rule. Under that rule, NOLs can offset 80 percent of current-year income.

1. OECD, *Corporate Loss Utilisation through Aggressive Tax Planning*, (OECD Publishing, 2011). <http://dx.doi.org/10.1787/9789264119222-en>

2. イタリアは2011年に新しいルールを導入し、欠損金の繰越期間を無制限とすると同時に日本と同様の欠損金使用に関する制限を導入した。新しいルールの下では欠損金の使用は当期利益の80%に制限される。

**It is critically important for the tax system to support growing companies and to attract new risk money in order to create new job opportunities and encourage growth of the economy.**

limitation. Japan has lost a competitive edge against rival markets in the region. Now is the time to introduce a competitive tax system, ideally one that will not just match the Asia region's minimum standards, but that will give Japan a competitive advantage.

Countries with a longer NOL carry-forward period are more attractive to companies considering investment venues, thus enticing risk money for investments into new opportunities in that country. Japan should take active steps to ensure that risk money is rightfully assigned to new opportunities in Japan by allowing an indefinite NOL carry forward period.

### Support Creating Jobs, Enhancing Innovation When Most Needed

Effectively utilizing NOLs over an extended period is a critically important economic tool to promote innovation, thereby creating new jobs and growth. Traditional stimulative tax policies such as research and development (R&D) tax credits and accelerated depreciation, benefit profit-making companies.

However, these policies are not effective for start-ups and new joint ventures that are making losses in earlier years since there is no tax to credit, and incremental expenses simply result in increased NOLs.

The extension of the NOL carry-forward period may not be a high-

priority tax agenda item for large blue chip companies that usually have sufficient revenues from different lines of business. But it is critically important for the tax system to support growing companies and to attract new risk money in order to create new job opportunities and encourage growth of the economy.

R&D-intensive industries and capital-intensive industries, such as biotechnology, are likely to generate losses for many years before realizing a profit. In his recent pledge to boost private sector capital spending by 10 percent over the next three years, Prime Minister Abe targeted precisely these industries as being vital to sustainable growth and vowed to "sweep away any impediments to domestic investment, whatever they may be."<sup>3</sup> The importance of longer carry-forward periods is accordingly magnified for such business models, in order to match losses incurred at an earlier stage with profit generated at a later stage.

The carry-forward extension is an important incentive to attract innovative industry, from which promotion of investment, increase in employment and future increase in tax revenue can be expected as a result of innovation clusters, because the extension contributes to long-term technical innovations through improvement of future cash flow and effective tax rates. In other words, offering the ability to effectively use

### 緊急課題—雇用創出と技術革新の支援

欠損金を長期にわたり効果的に利用できる環境は、イノベーション、新規雇用の創出および経済成長を促す上で非常に重要な経済手段である。研究開発費の税額控除や特別償却などの従来型の優遇税制は黒字企業に恩恵がある。しかし、これらの政策は創業期に欠損金を抱える新興企業や設立されたばかりのジョイントベンチャー企業などにとってはそもそも控除する税額がなく、かつ、追加で認められる減価償却費は単に欠損金の増加につながるだけであり、効果は薄い。

欠損金の繰越期間延長は、様々な事業部門からの売上が十分に見込める優良大企業にとっては、優先順位の高い税項目ではないかもしれない。しかし、成長企業を支援し、リスクマネーを呼び込む税制は、新規雇用の創出と経済成長の実現にとって非常に重要であることを認識する必要がある。バイオテクノロジーのような研究開発集約型産業や資本集約型産業は、利益が計上されるようになるまで、長期にわたり赤字が続く場合が多い。最近の講演において、今後3年間に民間の設備投資を10%増加させると表明した安倍首相は、これらの産業が持続的な経済成長のために不可欠とし、「国内投資を促進するため、税制・予算・金融・規制改革・制度整備といったあらゆる施策を総動員していく」<sup>3</sup>との決意を示した。したがって、そのような事業モデルにおいては、欠損金の繰越期間延長は、創業期に発生した損失を将来生まれる利益と相殺できるようにする点で、より一層重要性を増す。繰越期間の延長は、革新的な産業を誘致するために大きなインセンティブであり、イノベーションクラスターが形成されれば、投資の促進、雇用の増加および将来的な税収増が期待できる。というのも、欠損金繰越期間の延長により将来のキャッシュフローと実効税率が改善し、長期にわたる技術イノベーションに寄与するからである。つまり、効果的な欠損金繰越制度を整備することは、先進技術と呼び込み、日本の経済的繁栄を達成するうえで重要な政策なのである。

また、欠損金の繰越期間延長が既存の欠損金すべてに適用されるのであれば、創設期の事業や新規のジョイントベンチャーにとってさらなる支援になることが見込まれる。例えばライフサイエンス分野では、近年上場を果たした企業の多くは、何期も継続して赤字を計上している。既存の欠損金すべてに対して無期限の繰

3. "DJ: Japan PM Pledges to boost Capex in Quest for Sustainable Growth," Nikkei, May 17, 2013.

3. 日本経済新聞 2013年5月18日朝刊「成長戦略第2弾 首相の講演要旨」



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## Carry-forward extension represents a sound way to promote investment, strengthen competitiveness, create jobs, and enhance growth.

NOLs is an important policy tool for attracting leading technologies in order to boost economic prosperity in Japan.

In addition, applying the extension of the NOL carry-forward period to all existing losses would provide further support for start-ups and new joint ventures. In the life sciences sector, for example, most of the firms that have publicly listed their shares in recent years have been recording consecutive-year losses. Application of an indefinite carry-forward period to all existing NOLs would greatly help these firms endure until their investments successfully turn into commercial products and the firms start realizing a profit.

### Support Transformation of Traditional Business

Another important aspect in achieving successful economic growth is facilitation of the transformation of traditional businesses into new models responding to the ever changing market. Lengthening the carry-forward period would help modernize industries such as agriculture and fishery to navigate through TPP challenges by offering the ability to effectively utilize NOL, even if this required significant initial investment.

NOL extension would also facilitate corporate restructuring and support traditional companies making difficult operational decisions in changing how their business is run, in order to be better attuned to the business environment. Changing operations to improve productivity, which often

involves significant investment and cost, can also be supported by NOL extension.

### Fiscally Efficient Stimulus

Given the current fiscal position of the Japanese government, extending the allowable carry-forward period to an unlimited period offers a very stimulative tool without creating a fiscal challenge in the near term while the new growth business is incurring losses. Carry-forward extension represents a sound way to promote investment, strengthen competitiveness, create jobs, and enhance growth, without a material immediate negative impact on tax revenues.

### CONCLUSION

For the reasons noted above, Japan should move expeditiously to extend the NOL loss carry-forward period from the current nine years to an unlimited period. In aligning with most developed economies in this way, Japan should also ensure that eligible losses include all existing NOLs to provide a strongly stimulative growth-supportive impact.

This will incentivize new investment and faster restructuring, improve the investment climate surrounding innovative business, and provide a fiscally prudent means for the government to support Prime Minister Abe's Japan Revitalization Strategy, spurring robust and sustainable economic growth. ●

越が認められれば、先行投資した技術が無事製品化され、利益が計上され始めるまで、これらの企業が持ちこたえる上で大きな助けとなるだろう。

### 従来型事業の転換を支援

経済成長を実現する上でもうひとつ重要なことは、目まぐるしい変化を遂げる市場環境に合わせて従来型事業を新しい事業モデルに転換するのを手助けすることである。欠損金の繰越期間が延長されれば、仮に初期投資負担が重くとも実質的に欠損金が控除できるようになるため、農業・漁業といった産業の近代化を後押しし、環太平洋パートナーシップ (TPP) 協定への対応支援につながる。また、欠損金の繰越期間延長は、事業の再編を促し、従来型企業が事業環境により合った形に事業運営を変えるべく困難な経営判断を行う際にも役立つ。生産性向上のために業務改革を行う場合も往々にして多額の投資と費用を伴うが、欠損金の繰越期間延長によって後押しできる。

### 財政面でも有効な景気対策

日本政府の財政状態に鑑みると、欠損金の繰越期間を無期限とする政策は、新規成長事業の赤字ステージの間は、短期的には税収の落ち込みを伴わない非常に強力な景気刺激策である。欠損金の繰越期間延長は、税収に重大な即時のマイナスの影響を及ぼすことなく、投資推進、競争力強化、雇用創出、そして成長を促進する健全な手段であると考えられる。

### 結論

上述の理由により、日本は早急に欠損金の繰越期間を現行の9年から無期限へ延長すべきである。また繰越期間を先進国の水準と同レベルに改定するに際し、強い景気刺激、かつ、成長推進効果をあげられるよう、延長の対象とする欠損金の範囲に存在する全ての欠損金を含めるべきである。その結果、新規投資や迅速な事業再編が喚起され、革新的な事業を取り巻く投資環境が改善し、政府にとっても追加財政支出を伴わずに安倍首相の日本再興戦略を支えることが可能になり、堅調で持続可能な経済成長が促進されるだろう。

# THE INSIDE TRACK

Participation and communication are key to increased knowledge of the ACCJ's activities



Samuel Kidder

From time to time, a curious member asks me what is going on inside the ACCJ office or on the Board.

There is so much going on inside the ACCJ that I sometimes have trouble keeping up with all the activity myself! But we in the office do hope that we seem approachable to all members. After all, we are here to serve you. And I'm sure our leaders will be glad to share their knowledge.

We've got an open and member-led process for electing leaders. The ACCJ president appoints the committee leadership and our member-led councils advise on such things as communications, budget and finances, and advocacy positions.

The process is designed to be open and transparent and member participation is not just welcomed, but strongly encouraged. Leaders have taken steps in recent years to make our governance even more open. The more we communicate, the better.

While transparency is important, privacy is imperative. Anyone doing business in Japan knows that the privacy laws here are very strict. We take protection of member information very seriously. In this regard, we have upgraded our electronic data systems and have introduced a number of physical security measures. We will

continue to improve our processes in the future.

Our annual Ordinary General Meeting, to be held at the end of the month, provides a really good chance to find out what the chamber is doing. At this event there will be reports

**The process is designed to be open and transparent and member participation is not just welcomed, but strongly encouraged.**

on chamber activities by the ACCJ president and me, while the treasurer will review chamber finances.

In addition, all attendees will have an opportunity to have their say and ask any questions. The election slate will be presented and members will be able to add candidates who may not have been on the list prepared by the ACCJ Nominations Committee.

Transparency comes from good communication, so if you want to know more about what is going on inside your chamber, please ask a leader or speak to us in the office. It is easy for those in the office to become absorbed in their own work but, ultimately, that work is being done on your behalf.

By far the best way to find out what is going on is to participate and be a part of what goes on. •

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