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ROLAND KELTS

"Minka: a tale
of friendship
and renewal"

page 8



Hometown: I am a writer based in Tokyo and New York. My mother is Japanese, my father American.

Most memorable interviewee: I have interviewed Haruki Murakami, Hayao Miyazaki, Yoko Ono and Pete Townshend several times.

Social media handles: I can be found on Twitter (@rolandkelt), Facebook, Instagram and the Japanamerica blog: <http://japanamerica.blogspot.com/>

Currently reading: *All That Is*, by James Salter; *Daughters of the Samurai*, by Janice Nimura; the forthcoming reprint of *The Inland Sea*, by Donald Richie; *Crowds and Power*, by Elias Canetti; *The Good Shufu*, by Tracy Slater; *Here Comes the Sun*, by Leza Lowitz

Secret skill: I am a drummer for the Tokyo-based band ALI-MO.

GERHARD FASOL

"Corporate
Governance
Reforms"

page 28



Hometown: Vienna, Austria.

Languages: German; English and French (functional); Japanese (business level); Swedish (barely)

Favorite places in Japan: Kyoto and Tokyo

Years in journalism/publishing: As a physicist (not a journalist), I publish scientific, peer-reviewed papers and books.

Role models: As a physicist, I'll say Richard Feynman, Pierre-Gilles de Gennes, and Ludwig Boltzmann.

Favorite author/thinker: Richard Feynman and Karl Popper

Social media handles: twitter.com/gfasol, [instagram.com/gerhardf/](https://www.instagram.com/gerhardf/), <https://jp.linkedin.com/in/fasol>, www.facebook.com/gfasol

Currently reading: Books on big data, encryption, data security; always learning new programming languages; and reading financial reports of the company where I am board director.

Leadership in Japan: I'm developing the Ludwig Boltzmann Forum and Trinity Japan Society (Trinity College, University of Cambridge).

MICHAEL PFEFFER

Senior
Graphic Designer
Custom Media



Hometown: Hamilton, New Jersey

Languages: English and Japanese

Years in design and in Japan: Ten and three, respectively.

Favorite place in Japan: Toyooka City (Hyogo Prefecture). I had an opportunity to design an advertisement for the city of Toyooka, which appeared in the Michelin Green Guide. Kinokuniya Onsen and Izushi are very beautiful places.

Role models: I was most influenced by my teachers at the School of Visual Arts (SVA) and my present and past mentors in design.

Most memorable design in The Journal: The Women In Business Summit article, which appeared in July 2014 stands out in my mind.

Currently reading: Catching up on Haruki Murakami.

Hobbies: Tokyo always has interesting art exhibitions. I especially enjoy going to the MORI Art Museum in Roppongi Hills.



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THE HACKER'S CREED—

BREAKING CODES AND BUILDING BRIDGES



John Amari

john@custom-media.com

It's October—the eighth month of the year. That's according to the old Roman calendar. But most of the world lives by the Gregorian calendar, making this the tenth month of the year.

How is this? Some linguistic code breaking is required—*octo* is Latin for eight. Due to historical accident, we are stuck with passing off the “eighth” month for the “tenth.”

What's more, since 2004, October has been National Cyber Security Awareness Month in the United States.

Unsurprisingly, this issue of *The Journal* is replete with themes of breaking codes, charting new territory, and encountering new challenges. Transnational collaboration, risk-taking, and creating new values are also a common thread.

The lead story (page 8) opens a window onto the life of an American writer and a Japanese architect who re-drew both social and architectural rules and built something new.

Still on the theme of buildings, the real estate market in Japan is brought under scrutiny this month (page 12), revealing a microcosm of shifting economic sands that are shaping up in Japan's favor.

And the same applies to the Internet, as shown by our syndicated content (page 15), where Yahoo! JAPAN and Sony are joining forces to shake up the property market online.

Speaking of the Internet, Tech in Asia's conference in Tokyo brought together founders, investors, and startup entrepreneurs in an extravaganza of Internet Economy pioneers (page 16).

As with the explorers of yesteryear, the gold rush risk-takers of the 21st century are hacking their way through thickets of zeros and ones, and clearing new digital paths for a brave new global economy.

Caught in the middle of this new global wave, the city of Tokyo is redefining itself, while trying to keep a hold of its identity (page 24).

With the winds of change and globalization picking up, Japan is taking the necessary steps to increase its competitiveness (page 28), as shown by an insider who is cracking the country's corporate governance code.

Speaking of being fit for purpose, the Internet of Things, unarguably

the greatest development since the “industrial revolution,” is set to change the world as we know it.

These changes are reflected in the business section (page 26) of this issue, as well as in the American Chamber of Commerce in Japan (ACCJ) section (page 50).

And this begs the question: how will technology affect human-to-human interaction? Will the new economy benefit all of humanity? Will the bots take over entirely?

Some of these questions are taken up in “The New Tower of Babel” (page 22) and in the cover story, “Code-breaker: Hacking the system for women entrepreneurs.”

The perfect complement to the ACCJ Kansai chapter's report—on its successful Women in business summit (page 43)—our cover story shows how Japanese entrepreneur Ari Horie is cracking the code of entrepreneurship (page 18), enabling women to ride the new waves of the Internet economy, and set sail into uncharted territory.

As always, we hope you enjoy the read, and we encourage your feedback. ■

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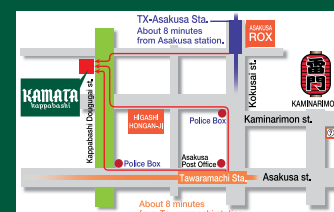


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IN THE NEWS

Tweets from leading media outlets



FROM JAPAN

Tweets in Japanese from people and media



TOP HASHTAGS

This month: Popular tags from the top 30 list



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@JapanTrends

Tokyo Metropolitan Government has published a disaster preparedness book in a partially manga format.

<http://bit.ly/1Ot7cfG>



JAPAN TRENDS

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KDDI is developing a new series of projects engaging with the Internet of Things... an umbrella stand... and a dust bin.

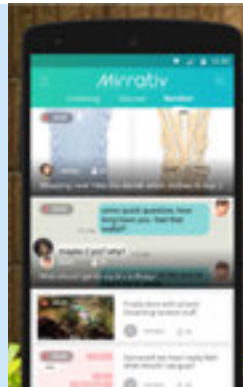
<http://dlvr.it/BzBSv>



@techcrunch

YouTube isn't the only one to introduce a live-streaming app this week. Japan's DeNA has entered the scene with its own take, called Mirrativ.

<http://on.tcrn.ch/1/JV7Y>



THE VERGE

@verge

Nintendo has appointed Tatsumi Kimishima as its new president following Satoru Iwata's death in July.

<http://t.co/U9Qss0XtXv>



Gerard Baker, Editor in Chief, *The Wall Street Journal*

Welcome to the New Asia Edition of *The Wall Street Journal*

I am delighted to welcome you to *The Wall Street Journal's* new global edition in Asia. The expanded *Journal* brings you roughly 50% more news content than before. We have also enhanced our digital offerings globally, with the ability to easily navigate all print sections on desktop, mobile Web and apps.

<http://www.wsj.com/articles/welcome-to-the-new-the-wall-street-journal-in-asia-1442175347>

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<http://www3.nhk.or.jp/news/html/20150915/k10010234981000.html>

Reducing overtime is beneficial to a company

According to the latest White Paper on the labor economy by the Ministry of Health, Labour and Welfare (MHLW), companies that reduced overtime work showed higher labor productivity than others in the same industry. According to the MHLW, the practice is not only important for workers, but for employers also.*

* Translations of original content in Japanese

Rank

- 1 **#MTVHottest**
- 5 **#VMA**
- 18 **#CoolForTheSummerVMA**
- 22 **#TuitUtil**
- 26 **#ALDUBBATTLE ForACAUSE**
- 30 **#TeamFollowBack**

Minka: a tale of friendship and renewal

By Roland Kelts



PHOTO: CRAIG MOD

To residents of the seaside tourist town of Kamakura, Kanagawa Prefecture, it's known as "the house on the hill"—an 18th century Japanese *minka* farmhouse perched atop Genjiyama, one of the town's highest elevations.

Rumored through the years to be the villa of a former prime minister, the sanctuary of an ocean-worshipping religious cult, even the refuge of a disgraced foreign leader, it is in fact a nearly 300-year-old wooden edifice moved there in the 1960s from the rural Japanese prefecture of Gifu.

The farmhouse was painstakingly rebuilt, restored, and modernized by two men: the late American Associated

Press journalist John Roderick, and his adopted Japanese son, Yoshihiro Takishita.

Today, it's one of the most beautiful monuments to traditional Japan that is more than just a relic.

LIKE FATHER, LIKE SON

"John and I used to rent a place on the other side of the valley," Takishita explains, waving his arm.

On a bright hot summer afternoon, we are standing in the front room of his house, cool and shaded, surveying its panoramic views of Kamakura's scalloped rooftops sloping down to the sea.

Takishita is spry, quick-witted, a mellifluously bilingual 70-year-old with thick black hair and a baritone bellow laugh. He is also bluntly unsentimental.

"We always wanted to have our own house. But back then, [John] was a journalist with no money, and I was a student with no money. What to do?"

Takishita's adoptive father, Roderick, may have been broke, but he was not unknown. Born in the US state of

Maine and a veteran of World War II, he covered the rise of communism in China in the 1940s, living in a cave with Mao Zedong and fellow rebels while filing reports to AP editors in Washington.

Stints in the Middle East and London followed, before he was assigned to Tokyo in the 1950s, to report on a rising American ally and keep an eye on communist China.

Roderick won an award from the AP for journalistic excellence; he was also credited by Chinese Premier Zhou Enlai for “opening the door” to China for foreign media. But his book, *Minka: My Farmhouse in Japan*, published in 2007, a year before he died, may be the pillar of his legacy.

INTERNATIONAL HOUSE

The book chronicles the story of Kamakura’s house on the hill and Roderick’s relationship with Takishita and Japan. It’s a testament to the power of transcultural friendship, and the way physical houses, beautifully made, can become homes.

But it’s also a story about Japan and America. Takishita was inspired to look for a traditional Japanese farmhouse by Texan Meredith Weatherby, publisher of books on Japanese art, and translator of works by Japanese literary icons such as Yukio Mishima.

In the 1950s, Weatherby had erected a traditional Japanese farmhouse in the middle

of Roppongi, Tokyo’s foreigner-friendly entertainment district, and it blew Takishita’s mind.

“I came to Tokyo and it was huge, and so many people, and I find this American and his house and I couldn’t believe my eyes when I opened the door,” he says.

“It was an old *minka*, an old farmhouse, but I opened the door and there was a flush toilet. Wow! Fantastic. Then I went to the kitchen. American people are quite open; they show everything in the house. What impressed me the most was the big white icebox—American-made, huge. I’d never seen such a big ‘refrigerator.’”

ROAD TO REVIVAL

The experience transformed Takishita’s evaluation of his rural Japanese upbringing. All those old hovels from which he’d escaped—to Tokyo—might be worth something; they might even be the future he and his adoptive father were seeking.

“I just wanted to build a house like Weatherby’s in Roppongi. I told John: We’re wasting our money on rent, when we could live in something beautiful.”

Takishita alerted his snowbound family in Gifu to be on the lookout.

It’s a testament to the power of transcultural friendship and the way physical houses become homes.



PHOTO: YOSHIHIRO TAKISHITA

Takishita has developed a reputation as a restorer and keeper of traditional Japanese farmhouses.

Japan in the 1960s was rising and thriving. The 1964 Tokyo Olympic Games brought new money and increasing optimism.

In the summer of 1965, his mother phoned to say she’d found something—an old farmhouse in Issei, Gifu Prefecture, that was cobwebbed and falling apart, but would be cheap to buy.

“It was a long drive to reach this village called Issei,” says Takishita. “It was like going to Tibet. It took us forever: winding roads, narrow up and down, climbing near cliffs. Finally we reached the village, and to our surprise, it was like a medieval town—

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only 11 houses. People were looking at us as though we were from Mars.”

Owing to seasonal rains, Issei was about to be flooded. Townspeople were evacuating; houses would be left to sink into mudslides or rot. Takishita and Roderick were told by the mayor that if they could dismantle and move the house before winter set in, they could have it for nothing. If they deserted the village without taking the house, they would insult the town.

They had a month—October 1965—Takishita says, before the snows would make the task impossible. With the help of friends, they dismantled the home in Gifu and transported the materials to Kamakura. But that was just the start.

“At that time, on this big peak in Kamakura, there was no electricity, no [running] water,” Takishita says. “I said, ‘John: what should we do about living? We need water.’ ‘Never mind,’ John said, pointing up. ‘We’ll catch rain. With this view, we’ll be happy.’”

WINDOW OF HOPE

Takishita and his wife, Reiko, now have what is likely the most eloquent view of Kamakura, in a house that combines Japanese single-beam artistry with mod cons such as heated, Jacuzzi-like baths, Toto washlet bidet toilets, Wi-Fi and leather sofas.



PHOTO: YOSHIHIRO TAKISHITA

A combination of modernity and tradition suggests a way forward for Japan.

From the outside, the peaked roof and triangular symmetry tell stories of a farming Japan that is fast dying; from the inside, the elegant carpentry and bamboo-lined ceilings speak of a Japan that endures.

Takishita and Roderick are the subjects of a short documentary film. *Minka: A Farmhouse in Japan*, by Davina Pardo, was posted to *The New York Times*’ website last spring and went viral.

Pardo’s initial plan was to record Roderick’s story, but the latter died in Hawaii in 2008 before the film was completed. So Takishita became its primary subject, his subsequent work as a restorer of Japan’s farmhouses

and the glories of its past the not so subtle subtext.

“I’m happy we did it,” Takishita tells me now. “Because when my father was in his death bed, I asked him, ‘What shall we do with these filmmakers asking these questions?’, and he said, ‘Talk to them.’ His voice was too weak at that time. It’s a shame. He loved to talk.”

The film, Roderick’s book, and Takishita’s own work, a gorgeously photographed, coffee-table tome titled *Japanese Country Style: Putting New Life into Old Houses*, have ensured that one of Japan’s richest revival stories survives into the 21st century.

Takishita and Roderick were told that if they could dismantle and move the house before winter set in, they could have it for nothing.



PHOTO: YOSHIHIRO TAKISHITA

Takishita’s love for farmhouses started with his friendship with AP journalist John Roderick.

As the country hollows out, its population rapidly aging and diminishing, Takishita is an icon of renewal.

“Some people still say, ‘Oh, Takishita-san is crazy,’” he tells me as he walks me down the hillside toward Kamakura station.

“And I admit: My kind of Japanese *minka* farmhouse is a shrine. I guess it’s Shinto, whatever that means to you or to me.

“There is some kind of mystery of the space of these houses that gives a kind of healing power. It’s a very comforting place. That’s all I know.” ■

Olympics lures Japan property buyers

By Anthony Fensom

Japan's shrinking population, soft economy, and growing stockpile of abandoned homes should all amount to a weak property market. But buoyed by the 2020 Tokyo Olympic and Paralympic Games, as well as a wave of cashed-up Asian buyers, real estate in major cities is slowly starting to shrug off the post-bubble bust of the 1990s.

Describing the surge in Chinese buyers, Zhou Yinan, an Osaka-based agent at Chinese brokerage Sou Fun Holdings, said, "The demand is like water exploding up from a well."

"The Chinese buyers had mainly been from Taiwan until last year, but that trend has been in reverse since October, as the yen has been weakening against the yuan," he told *Bloomberg News* in a July 3 report.

Like the Chinese shoppers flocking to Tokyo's upscale Ginza district, Chinese property buyers are reportedly coming to Japan for regular three-day property shopping trips, during which they visit cities such as Tokyo and Osaka.

The yen's decline to 22-year lows against the yuan has boosted their spending power, while there is also confidence that the 2020 Games will drive up prices, as happened previously in Beijing.

BETTING ON JAPAN

While nationwide residential land prices have fallen for seven years straight, prices in the main metropolitan centers of Tokyo, Osaka, and Nagoya posted their second straight annual rise in 2014.

According to the Real Estate Economic Institute Co., Tokyo apartment prices have risen to their highest levels since the early 1990s, having advanced 11 percent over the past two years.

Yet for Asian buyers, Japan remains inexpensive. In 2014, Hong Kong's median price was HK\$4.9 million (US\$630,000), more than 160 percent higher than the price of comparable properties in Tokyo and Yokohama. Yields on Beijing property average just 2 percent, making Japan's higher yields attractive to Chinese buyers who face restrictions buying second properties in the domestic market.

The average price of a three-bedroom apartment in Tokyo's 23 wards and surrounding prefectures was ¥53 million

(US\$440,000) in April, compared with HK\$8.4 million (about US\$1mn) for a 600-square-foot apartment on Hong Kong Island, or US\$554,000 for homes in New York.

For domestic buyers, the home-price-to-income ratio, representing the cost of a home relative to a buyer's average annual income, increased to more than 10 times last year in Tokyo. But it remains well below

its bubble-era peak of 18 times.

"Properties in Tokyo are cheap and the returns are relatively high," Nomura Research Institute Ltd.'s Tomohiko Taniyama told *Bloomberg*. "The quality of buildings is high, while investment opportunities are abundant, unlike Singapore or Hong Kong where the number of available properties is limited. In that sense, Tokyo is one of the best destinations for investment."

TOKYO HOT ZONES

Kenneth F. Arbour, president of Tokyo-based Century21 Sky Realty Inc., says his high-end apartment buyers are mainly Chinese individuals with an eye for quality.

"They buy the cream of the crop in terms of who's building top quality residential properties in Tokyo, such as those by Mori Building Co., Ltd. And they pay cash," he says.

"When you've got buyers going into a lotto just to buy one of these places, like Mori's Toranomon Hills, you know it's a seller's market. For these types of high-end properties, prices have gone up, not by 10 percent but by even as much as 50 percent."

However, Arbour says buyers of relatively average priced apartments in central Tokyo (of between around US\$500,000 and US\$1 million) could still expect yields of up to 4 percent, well above those of major cities elsewhere. He suggests buyers stay central for capital gain, rather than explore cheaper locations.

"If you're a first-time buyer, I would really encourage you to stick to Minato-ku—you can't really go wrong there location-wise," he says.

Nevertheless, Tokyo-based architect Riccardo Tossani says foreign buyers are now venturing outside the capital's traditionally favored but expensive "three As" of Aoyama, Azabu, and Akasaka areas.

"Foreign buyers are starting to look at Setagaya-ku, Meguro-ku, areas that are still very central but with tremendous



Experts suggest detached houses rather than apartments are a better investment for buyers.



PHOTOS: RICCARDO TOSSANI ARCHITECTURE

ALL RESIDENCES BY RICCARDO TOSSANI ARCHITECTURE

public amenities such as hospitals and daycare centers—it's worthwhile looking outside the three As," he says.

WHAT TO BUY

Tossani suggests long-term Japan residents focus on detached homes rather than apartments, given the difficulty in remodeling apartments and the traditional reliance on land values. Unlike in the West, land is typically worth up to two-thirds the value of a house and land package.

"When you're buying an apartment, you're only buying a portion of the underlying land, and it typically won't appreciate fast enough to compensate for the depreciation of the building. In value per yen, a single family, detached residence is always a better long-term investment than an apartment," he explains.

Tossani says homebuyers can expect to pay around ¥300,000 for an architect's "volume study" of a site and basic building schematic plans, which can be used to gain pre-approval for a loan. After this has been approved, the Japan Institute of Architects has a sliding scale of fees: the larger the house, the lower the overall fee.

URBAN VS RURAL

While the major centers are enjoying a revival, elsewhere the picture is more sedate. The average price of land for all purposes dropped by 0.3 percent last year, while nationwide housing starts declined 9 percent, partly due to the consumption tax rate hike.

Even in the major metropolitan areas, suburban property prices remain weak outside the "hot" suburbs. Although last year residential land prices gained, on average, more than 3 percent in the heart of Tokyo, they declined in the suburban city of Ome, reflecting an increasing disparity between urban and non-urban markets.

"Land prices have yet to rebound on a broad front, and the concentration of demand in [big] cities will continue for some time," Mizuho Securities real estate analyst Takashi Ishizawa told the *Nikkei*.

Fukuoka-based Ziv Magen, manager, Asia-Pacific of Nippon Tradings International (NTI), acts as a buyer's agent for foreign investors seeking inexpensive Japanese properties, typically ranging from between only US\$30,000 and US\$70,000, but with high yields of around 10 percent.

"For yield purposes, we avoid the internationally renowned cities like Tokyo, Osaka, and Niseko in Hokkaido, where prices are too high and yields are depressed."

Magen says he targets urban areas, where the population is stable or growing, and there is more than a single industry. Fukuoka, Kawasaki, Kobe, Nagoya and Sapporo spring to mind.

Jason Hurst, director of operations at International Solution Group, suggests foreigners can more readily obtain finance for investment properties such as apartment buildings, including 100 percent loans.

According to Chiba resident Philip Brasor, rural areas of Japan have launched campaigns to attract foreign buyers, highlighting their low prices for skiing or other tourist attractions.

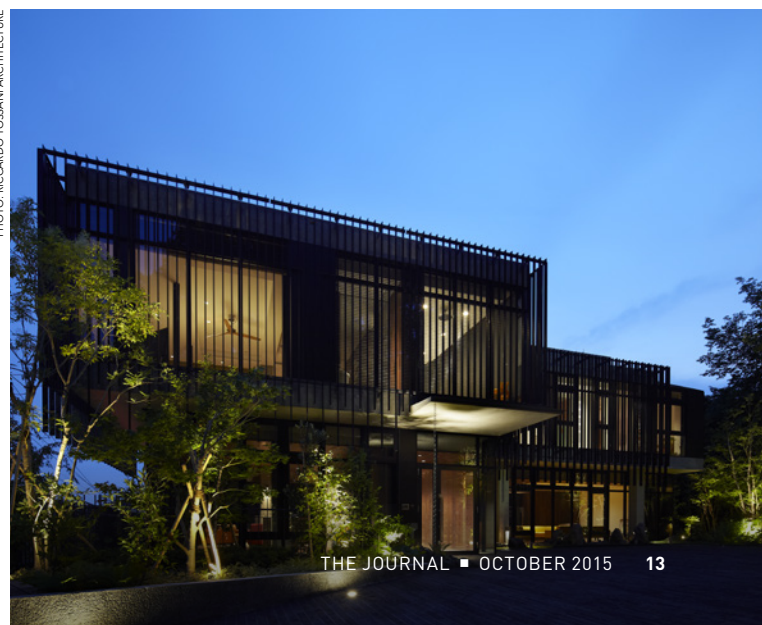
GLOW OF TOKYO 2020

For foreign residents or overseas buyers, ultra-low interest rates, attractive rental yields, and the prospect of rising land values ahead of the 2020 Games have suddenly put Japanese property back in the spotlight.

While far from the bubble years when the Imperial Palace was reputedly worth as much as the entire state of California, after a long and bleak period, the sun may finally be rising again for Japanese real estate. ■

Both urban and suburban Japan may see a revival.

PHOTO: RICCARDO TOSSANI ARCHITECTURE





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Sony CEO Kazuo Hirai surrounded by reporters in Berlin in September.

Cutting out brokers

Sony, Yahoo Japan plan online service that links up homeowners, buyers

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Sony and Yahoo Japan are set to launch an online market for previously occupied residences later this year, letting homeowners and prospective buyers negotiate prices over the Internet.

The service, to be operated by Yahoo, initially will cover apartment properties in Tokyo's 23 wards. In the tie-up, Sony Real Estate will receive additional funding from Sony and will allocate ¥2 billion (\$16.2 million) in new shares to Yahoo—a 40 percent stake.

Sellers will determine asking prices and will negotiate with buyers without using intermediaries. Sony Real Estate will support technical work, letting individuals deal comfortably with real estate transactions.

The two companies will receive a commission when transactions are completed. Their cut is likely to be smaller than the legal limit—3 percent of transaction price plus ¥60,000 excluding tax.

Traditionally, data on existing homes in Japan has been shared almost exclusively among real estate agents,

and consumers have been unable to look directly for such properties. It is hoped that the digital market will broaden their search options.

The move comes as the government has set 2020 as the year by which it hopes to double the size of the market for previously occupied homes, including their renovation, to ¥20 trillion.

These secondhand homes account for only a little over 10 percent of real estate transactions in Japan, compared with 80–90 percent in European countries and the United States.

Direct transactions between private buyers and sellers are thought to account for 20 percent of existing-home deals in the United States. ■

Sellers will determine asking prices and will negotiate with buyers without using intermediaries.

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TOKYO TECH ECOSYSTEM

Founders, investors, startups come to town

By John Amari

On September 8 and 9, *Tech In Asia* held a signature conference, one of its largest to date for entrepreneurs, investors, media, and members of the startup community in Asia.

Over two days in the Hikarie building in Shibuya, Tokyo, the event drew A-list speakers from the startup world, including executives from Alibaba, Twitter, Airbnb, Rakuten, and DeNA.

In addition to the star-studded line-up on the main stage, side events included a kick-start stage and “bootstrap alley,” where startups with an interest in the Asian market set up booths and promoted their products and services.

A startup investor speed-dating venue was also created, allowing founders to meet investors at the conference.

GIANTS OF TECH

Two highlights marked day one of the event. Tomoko Namba, founder and chairwoman of the board at DeNA,

enthralled the crowd in discussion with two young entrepreneurs who had begun and failed in their first startup venture.

The main message of their conversation was simple: being an entrepreneur means you have to try, fail, iterate, and repeat until you meet with success.

During the conversation titled “The Panel without Fear,” entrepreneur and venture capitalist William Saito exchanged candid views on Asia’s tech industry with other panelists, who are also entrepreneurs.

In reply to a question by interviewer Akio Tanaka, co-founder and managing partner at Infinity Venture Partners, about Japan’s startup scene, Saito said Japan—while having a high tech culture and education system—is lacking in startups that go global.

Further challenges facing the country, he said, do not just emanate from policy decisions, but also manifest themselves in the lack of widespread use of English, and a culture in which failure is to be feared. Such states of mind, Saito added, have to change.

SMART CAPITAL

A vigorous discussion then ensued, between Saito and fellow panelist and former principal at DeNA, James Riney. Is there, they debated, a sufficient amount of capital for startups in Japan?

While Riney said he believed that there is a lack of such funds, Saito said there is plenty of it around, in the form of government grants, although it is in direct competition with what is really needed: “smart capital,” which emanates from venture capitalists.

Gen Isayama, also a panelist, and co-founder and CEO of World Innovation Lab, said Japan’s startup ecosystem lacks diversity and is too focused on the domestic market. This, he pointed out, is in contrast to Silicon Valley, which is both diverse and has a global outlook.

What’s more, he reasoned, Japan needs to improve how the country’s competitive advantages—including its high tech industries—are communicated to the tech world, in the same way that India and China are doing with their nation branding and tech promotion initiatives.

“I worry that if we don’t do anything for the next 10 or 20 years, we will not have this conversation. If we do something now, maybe there will be some interesting part that Japan can play in the global tech space,” Isayama added.

The panel without fear (from left): Akiko Naka, Gen Isayama, James Riney, William Saito, and Akio Tanaka



INVESTOR SENTIMENT

The fourth panel member, CEO and founder of Wantedly Akiko Naka, began by saying the investment environment in Japan had improved markedly in the last two or so years, but she agreed with other panelists that Japanese startups need to focus more on entering international markets.

Naka added that Wantedly, a trust-based recruitment platform, is seeking expansion into the Asian market.

Other main-stage panels on day one of the conference included those discussing funding trends in Asia, “the economy of everything,” the Internet of Things in Japan, and the next generation of Japanese hardware.

A keynote speech by Japan enthusiast and economist Jesper Koll, and an in-depth conversation with Dave McClure, founder of the early stage venture firm, 500 startups, was a highlight of the day.

VALUING HONESTY

Day two of the conference began with a bang, as best-selling author and icon of tech entrepreneurship Ben Horowitz held forth.

The founder of venture capital firm Andreessen Horowitz, he spoke of his early years as an entrepreneur in cloud computing and how, when his business plan had run aground, he had to lay off staff: “I would sleep like a baby and wake every two minutes and cry,” he said.

One lesson Horowitz learnt during that time is the value of honesty, including telling staff why it was necessary to make the tough decision to let them go. Being engaged was also a valuable lesson, he said.

“I would remember standing there in the parking lot as staff packed their belongings into their car, and thanking them,” Horowitz said. “We may not have done a good job,” he continued, “but at least I was honest.”

Indeed, Horowitz went on to speak of the importance of being honest. As difficult a quality as it may be to develop, it is a key asset for any entrepreneur to have.

What’s more, this was in 2002, two years out from the dot-com bubble, when jobs in the industry were hard to find.

Spurred on by a desire not to fail, Horowitz was able to raise new money for the company, Loudcloud,



Ben Horowitz, Andreessen Horowitz



Tomoko Namba, DeNA

One lesson Horowitz learnt during that time is the value of honesty



Takeshi Ebihara, Rebright Partners



Zain Jaffer, Vungle

and successfully pivoted from an infrastructure and applications hosting service to an enterprise software company called Opsware. In 2007, Opsware was sold to Hewlett-Packard for over \$1.6 billion.

NEW MARKETS

Following Horowitz’s presentation, there were panel discussions on how to enter and win in Southeast Asia, the rise of hardware in China, and the upsurge of India as a market for Japanese tech investors. The afternoon session also witnessed 9 handpicked startups in a pitched battle for \$10,000.

Speaking to *The Journal*, tech investor and founder of Rebright Partners, Takeshi Ebihara said emerging markets such as Southeast Asia and India are new targets for Japanese investors.

The main attraction, Ebihara said, is the region’s emerging middle class, which consumes and relies on the latest tech and Internet services.

To this end, Rebright Partners has invested in some 20 companies in the region: in Indonesia (several, including one of the largest e-commerce websites in the country), Singapore (a car-sharing service), and the Philippines (a bitcoin company).

A year ago, the company expanded into India, where it has invested in five portfolio companies. Most of the company’s investments have been seed to Series A round investments, he added.

For a behind-the-stalls look at the startup scene, *The Journal* sat down with Eric Chung, representative director and country manager-Japan of Vungle Co., Ltd.

Vungle is a mobile, video ad network that helps developers monetize their apps and advertisers—the company works with the gaming industry, for instance, to increase ad reach for users, many of whom do not consume traditional media such as TV.

In Japan, Chung said, Vungle’s targets besides gaming companies are publishers, e-commerce sites, social networking services, and entertainment companies.

Established by serial entrepreneur Zain Jaffer in 2012, the company began as a maker of trailers for gaming companies, before pivoting to become a creator of an in-app video ad platform.

Beginning in the UK and then Silicon Valley, in 2015 Vungle entered the Japanese market—where advertising spend is one of the highest in the world.

“When you look at companies that are successful, they need mature markets,” Chung said. “That’s how you become a success—by having global reach.” ■

CODE-BREAKER

Ari Horie hacks the system
for women entrepreneurs

By John Amari

“Entrepreneurship is about breaking codes and applying new values. I think that applies to everybody. In this sense, a single mother taking care of a child at home can be considered a working mom—an entrepreneur, even,” says Ari Horie, entrepreneur, maverick, and mother of two children.



Ari Horie, entrepreneur, believes Japan is ready for a women-focused startup accelerator.

Originally from Hiroshima, Horie established her first startup—B! Minds/MoChiGo.com, a third language-learning platform for children and families—in 2012, before turning her attention to women entrepreneurs.

A marketing professional who worked for IBM and has been featured on international broadcasting networks, including CNN's 10 Visionary Women in 2014, Horie is CEO and founder of Women's Startup Lab (WSL), a women-focused accelerator based in Silicon Valley.

In an exclusive interview with *The Journal*, Horie speaks openly about the challenges faced by women entrepreneurs both in Japan and the United States, and the novel solutions her “lab” is trying to implement in this regard. Tantalizingly, Horie says

Japan is ready—now more than ever—for a women-focused startup accelerator, and encourages readers to “watch this space.”

How did the main concept behind Women's Startup Lab begin?

The idea began with the concept of success beyond knowledge, because there are a lot of things to know; through YouTube and Google and so on, there is no shortage of ways to find out the knowledge.

But the question I asked myself was: What accelerates success? It's people stepping in and telling you the things you did not know you did not know, thereby allowing you to access areas of growth that you had not imagined before.

This is also where the concept of *hito*—the Japanese word for person—comes in. The Chinese pictograph for *hito* suggests two people, one leaning on the other, which suggests the people leaning on each other to achieve success.

So the idea behind Women's Startup Lab is not just about talented people hanging out and incubating your own company to success; it is also about getting a community of advisers to come together to know each other intentionally and letting the magic happen—this is the idea of “*hito*-logy.”

In addition, we have developed programs that allow participants to deepen relationships and trust in a way that the magic I mentioned happens in a faster and more high impact way.

Is the WSL for women only?

As I mentioned earlier, the main idea of *hito*-logy is a focus on collaborative growth. In our case, it symbolizes a new woman entrepreneur being supported by a peer female entrepreneur—a seasoned founder supporting another founder who may be new to entrepreneurship.

The female entrepreneurs are also supported by a mentor, who may be men or women, as well as by an investor—who is also a *hito*. So the symbol, and the Lab, exist in different formats, but the main idea is that we need each other in order to grow and succeed. ‘It takes a village to raise founders.’

What gap does the Women's Startup Lab fill?

Back when I was still building the MoChiGo startup, I was—like so many others—trying to figure things out: how to network, gain funding, develop a product, and so on. That's why I went to an entrepreneur incubator event, and that had a lasting impact on me.

At the event, there was a nurse with over 20 years' experience at Stanford Hospital who had an idea for how to solve a problem involving challenges of getting doctors, nurses, and patients on the same page regarding how to administer the best medical care.

The problem was one of lack of effective communication between these three groups, and the nurse wanted to build a



platform to minimize confusion and mistakes while increasing efficiency and positive patient outcomes. It was a brilliant idea, and she seemed ready.

And yet, as with so many early-stage female entrepreneurs, who may not have the funds to create their ideal team from the beginning, the problem she was trying to solve did not match with the demographics of the audience she was speaking to—which was all male and young.

For women in such situations, the only way to attract resources and momentum is to rely on personal currency, or invite counterparts, usually males, who can help you pitch your idea to the community.

In this case, it was a community of engineers who were more interested in creating a dating app or one that allows customers in a bar to rate the beauty of women inside it—these were the pitches that interested them.

But they weren't things that, in my opinion, would change the world. That's when I thought: if we are to continue like this, then what we have to change is the demographic and environment that we deal with as entrepreneurs. And that's when the idea of creating a separate group that has a common thread that can gain the confidence of all involved—while achieving success—emerged.

So the lab allows women like that nurse to pursue their dreams. It has an ecosystem that is geared towards them; it means they don't have to give up on a great idea.

What can you say about Japanese and American approaches to entrepreneurship?

They are very different. And it's not that one is better than the other. But if you think about it, Japan has historically got a craftsmanship mentality. They make something, perfect, and then put it in the market.

There is no concept of presenting something to the customer, and then getting feedback before going back to the drawing board to make it better. What this means is that sometimes the customer may not use the product, or you're completely off.

Women's Startup Lab is based on the concept of *hito*—male and female mentors support each other.





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Members of the company's impact team: (from left) Martha Silva, executive assistant; Ari Horie; Shadi Nayyer, programs; Glen Allen, CBO

In the United States, the rule is to present something that has a lot of bugs in it—you know, software that has a lot of bugs in it. This means you make a little bit of something and then present it, or you don't even make it but just talk about the concept. And then, if you have the concept, you act as though you have a product. You may even put it on Ebay for people to bet on it and thereby get feedback on pricing.

The idea here is to test, keep on testing, and to get customers involved early on. You may not even think of them

as customers because you get them involved in your own startup process.

That's why the word "lab" in Women's Startup

Lab is really important—we continue to test out the concept constantly. There is no such thing as, "We are perfect; we are with it." Because when you stop swimming, you're dead as an entrepreneur. You have to be constantly testing, moving, and iterating.

This is the very opposite of the Japanese concept of commitment, perfection. They are perfectionists who seek completion: "I did this much. This is who I am." I think that goes against the entrepreneurship mentality."

What has entrepreneurship taught you about life?

You have to be true to yourself to understand what you're good at, as well as what you're not good at—which means being clear as to where your passions are coming from. Accepting who you are begins with really knowing your strengths.

What's more, you need to have strong values—values will guide you through difficulties. If you have values that you can align with your work, it will allow you to say the things you need to say even when it's hard to say them, or it is difficult to commit to them.

And it's worth remembering having a startup is not a job; it's your life's work, and you can align that with having fun.

But knowing yourself also means accepting the fact that you may not be an entrepreneur—which requires that you are addicted to finding and solving problems. And if you are not that kind of person, it is okay to say so and to do something else.

Do you think Japan needs its own WSL?

We have been discussing that lately. In a sense, there is nothing for us to lose by expanding into Japan. If we fail, it means only a few people can benefit from our work; and if we succeed, it means there are more.

But there really is no sense of failure, in my mind, because I'm not here to prove to the world that I'm right or wrong. I'm simply doing the work that I think matters and that will have lasting impact. I think that Japan is ready right now for us to come—customers and the market will guide us—and share our wisdom and resources with them. So it's probably the right thing.

Turning to work-life balance: how do you balance the two?

Sometimes people want to tackle problems based on what they understand right in front of them.

Often the problem is not what you think it is. You need to step back and ask: What is your definition of success? And this applies to a business and to the individual. Unless you know your own value of success, you really can't build anything.

I've been opposed to the term "work-life balance"; it's as if "balance" is the right way. If you look at history, many of the people who have had an impact and changed the world were hardly balanced people; they were close to crazy; or they were really unbalanced. It's only after the fact, that we say what they did was kind of good, and we call it genius.

I would cross out "work-life balance"—forget balance; it doesn't mean anything; who cares about balance. What matters is "work-life design"—which means you get to design it any way you want.

For me, work is a life worth living for, and some people express this through projects; through work; some people express their life's passion through raising children—and I think that should be recognized; it should be honored.

I mean, all mothers are all working women, whether we are inside the house or at the office—we are all working women. We all work, period. So the conversation begins with what is "work-life design" or, simply, identifying what is important to you and designing it.

Are you optimistic about Women's Startup Lab?

I'm totally optimistic. I think we are in the right place. There is a lot of good energy and I think we reflect what the market wants right now. And if I fail, then that is not what the market wanted. It's nothing personal about me; nothing to point a finger at; it's just a failure in execution. But, given all the attention we are getting, I think we are in the right place. Our focus is impact in the market, and we have seen change and contributed significantly, not just for startups but by sharing our vision and becoming an advocate and voice for a new point of view. ■



Horie with her children



The New Tower of Babel



Will Machine Translation Manage Better Than Humans?

By Richard Smart

A recent UK publicity stunt for Google Translate, a machine translation service by Google Inc., went drastically wrong. A sign was emblazoned with “Good Evening, Old Street” on the left, and an Arabic translation on the right. But the Arabic was backward, with breaks in the wrong places.

The mistake highlights today’s big problem with machine translation: It doesn’t do its job properly. Adding to the headache, the “translated” sign in central London, created by an algorithm, is unaware of the cultural sensitivity of its work. Wherever one lies on the political spectrum, surely it is understood that not all Arabic speakers appreciate Western interventions in and attitudes to the Middle East.

CULTURALLY CHALLENGED

Artificial intelligence that is as capable of translating language as a bilingual human can is still a long way off. Cultural awareness is one big reason. Peter Durfee, director at the Nippon Communications Foundation, has been translating for decades and believes machines have a lot of improvements to make.

“You need to present the information in the source text; you need to think about effective ways to present that same information in the target text. And this is as far as even the best conceivable machine translation system can go.

“But you also need to consider the motivations of the original author—

Am I translating a speech where . . . [Prime Minister Shinzo] Abe is pushing flexible constitutional interpretation, or Haruki Murakami is pushing the merits of playing jazz albums to cats?” The expectations of readers also have to be taken into account.

Academics see little chance that machines will fully replace translators. Carl Benedikt Frey and Michael A. Osborne in 2013 calculated that a translator would have a 38 percent chance of the work they did being replicated by machines.

“With a growing corpus of human-translated [digitized] text, the success of a machine translator can now be judged by its accuracy in reproducing observed translations,” they wrote in their report, *The Future of Employment: How Susceptible are Jobs to Computerization?*

The fact that machines now can, to a degree, learn from humans at a faster pace has practical applications. The academics cite United Nations documents, which are translated into six languages, as an example. Such multilingual texts help Google

improve its algorithms and translate more accurately. But algorithms are not humans.

“If you just want to grasp the meaning of a document, get a rough idea of the meaning, then machine translation is fine,” says Kaori Sasaki, the founder of Unicul International Inc., which offers services including translation, interpretation, and conference organizing. “But if you want to get more from a document, you need a higher-quality service.”

What’s more, many languages, including Japanese, simply do not have a big enough presence on the global cultural landscape to provide the sort of translated documents that the robots are hungry for.

It is beyond the literary and the promotional that machine translation has its greatest potential.

“To be truly successful, a machine translation engine has to have a huge corpus of matching terms thrown into it over the years,” says Durfee. “For some language pairs, this has progressed much farther than in the Japanese [language] sphere: Everything published by the European Union apparatus, for instance, has to go into a whole raft of languages, and you end up with hundreds of millions of (public domain) words that can be stuck into Google’s and Bing’s analytical tools for parsing.”



CEO of Gengo, Matt Romaine

COLLABORATIVE CODE

Gengo, Inc. has found a way to get the most out of machines and offer a human service. The company, which operates the Gengo.com website, introduces its around 16,000 human translators to clients through an online database. It offers services in 37 languages and ratings for staff.

“We don’t believe it’s possible to completely replace human translation with a machine—not only because of the creativity involved, but also because of the evolving nature of languages,” says company CEO Matt Romaine.

Gengo’s database gives it a key advantage on speed. Most of the jobs are started within two hours and completed within three.

“New publishing and content distribution models dominated by names like *Huffington Post* and *BuzzFeed*—a domain we internally call casual media—also rely on Gengo to expand their global reach,” Romaine explains.

He sees machine translation and artificial intelligence as a benefit rather than burden.

“Machines can assist to make the process more productive,” Romaine says. “From searching for terms, to checking how many times certain words have been used, perhaps to not sound redundant, machines will only be tools for assisting human translators.”

But there are limits to how far this assistance will go. “Clients need to provide context that only a human could understand. For example, if someone wanted a translation of ‘eats shoots and leaves’—is that referring to a koala or a criminal?”

Durfee sees a further use for machines. “One type of translation that has increasingly gone to the machines is massive-scale triage in the discovery stage of big legal cases,” he says. Without the need for anything literary or to appeal to a public, machines can fish through reams of documents in a different language and roughly summarize them.

Key information can then be sent to the human to get the job done properly. Such scouring was never rewarding for people in the first place, and few translators would regret no longer getting to search for the proverbial needles in haystacks.

MACHINE-HUMAN BAZAARS

It is beyond the literary and the promotional that machine translation has its greatest potential. Google’s sign in London still got its message across. Nobody struggled to get the meaning, even if the language was clumsy.

And, with the Tokyo 2020 Olympic and Paralympic Games coming up, Japan is working toward machines that can bear the brunt of the translation burden. This year, the government will spend around ¥1.38 billion on developing automatic voice translation

software for 10 languages. The idea is to cover the needs of the vast majority of visitors to Japan and change the nation’s difficult-to-travel image.

In the private sector, Panasonic Corporation has begun tests of its automatic translation service in collaboration with Mori Building Co., Ltd. “By offering the devices at information desks, Panasonic will be able to confirm their appeal and functionality for users while also identifying areas for improvement,” the company says.

“For Tokyo 2020, translation is a must as we welcome visitors from around the world,” says Sasaki. “And machine translation for this is amazingly advanced. Most of the daily necessities for translation, such as informing people with allergies of ingredients, can be done by machines.”

Companies seeing the possible success of products such as Panasonic’s may, in the future, be tempted to clean up their budgets by ditching translators for computers. Sasaki argues that this means translators today have to do more to show companies why humans are needed: “Clients really need to be educated to choose which kind of services they want.” ■



Re-translating between two languages exposes the limitations of translation machines.



The Heart of a City

Place Branding in the 21st Century

By Dr. Nancy Snow

Referred to as Tokyo 1964, but officially known as the Games of the XVIII Olympiad, those Games were not held in summer. They were held from October 10 to 24 to avoid the notoriously hot, sticky season and the accompanying typhoons that plague Japan in August and September.

The world watched a proud nation, 19 years removed from its war-weary knees, become the first country to broadcast the Olympic Games internationally via satellite—a US–Japan joint venture—in color and without tape delay. A swords-into-ploughshares high-tech wonderland was born. It was a full-circle moment with the lighting of the Olympic Torch by track athlete Yoshinori Sakai, the “Atomic Bomb Boy,” who was born August 6, 1945 outside Hiroshima.

Using the world’s best athletes and global media as its place-branding podium, Japan, the first non-Western host of the Olympics, presented its membership credentials as an economic and cultural superpower.

That same decade, Japan would shock the senses again by rocketing to the rank of second largest economy in the world. There was no stopping the ascent of Japan, Inc. or of Tokyo.

Landmark bookends illustrate this era of modernism in the metropolis: Hotel Okura Tokyo, completed in 1962 with an annex added in 1973, and the Hotel New Otani Tokyo, which opened in 1964 and features a 500-year-old, 10-acre traditional Japanese garden.

A 41-story 550-room glass tower that will open in 2019, just in time for Tokyo 2020 Olympic and Paralympic Games, is replacing Hotel Okura’s original main building. Picture Audrey Hepburn with cigarette holder in hand and the Rat Pack, with whiskey on the rocks, walking through the lobby.

The loss of the Okura’s heart and soul architectural gem sparked an international online petition and a

#MyMomentatOkura Twitter campaign.

I participated in both campaigns, but our efforts were futile because we were like beatniks in mourning, standing in the way of economic progress.

In Tokyo’s first Olympic year, the songwriting team of Hal David and Burt Bacharach released a number that offers a warning for Tokyo today: just as “A House is Not a Home,” a city is

not a company town, a seat of government, or a commercial sector that champions capitalism.

A city has a heart that makes people want to write songs, tributes, and reviews on TripAdvisor Inc. that say, “better be quick before the main building closes at the end of the month and the history of the original Okura is gone forever!”

A city is more than a place to reside, work, raise children, or study. It is a competitive brand, and if it is a place like Tokyo, it is a global city brand. Writer Fiona Wilson, of *Monocle’s* Save the Okura campaign, said that the “demise of the Okura is akin to the loss of a good friend. Tokyo will not be the same without it.”

That is true, and it speaks to Tokyo’s city identity—always changing. If Tokyo had its own *tenugui* (traditional hand towel), it would be marked “Under construction.” Tokyo, like the future, waits for no one, including a 53-year-old hotel.

The future is to Tokyo as romance is to Rome, as diversity is to New York, as LGBT is to San Francisco. The Hotel Okura’s wrecking ball is an emblem of a city rebranding itself in the yet-to-come.

City branding is a globalization offshoot. In an age when competition for commerce, consumption, and tourism holds no allegiance to one country or region, place branding has emerged locally, citywide, regionally, and at the national level.

Tokyo’s brand pull stretches like the city itself—wide and far, even among those who can only dream and desire a visit. They may say Japan, but they often mean Tokyo because the metropolis sits among global city memes (Berlin,



Tokyo Tower, built in 1958, is one among a number of icons that make the city a global brand.

New York, Beijing, Rio, Johannesburg, Sydney) that require no country modifier.

City branding is a mapping exercise of tangibles and intangibles that encompasses culture, history, appearance, demographics, people's preconceptions, and their experience while there.

Tokyo's projected consensus is as a global futurist city, but the reality doesn't always match. In 2014, I participated in a Keio University conference that featured many first-time European visitors to Japan, several of whom expressed surprise at their Tokyo experience, a consequence of the perception–experience gap.

They anticipated that such a global city would have hotel staff with a good command of English. One couple went so far as to say that, while they loved their visit and were impressed by the hospitality and service, their lack of Japanese language ability coupled with the lack of English ability locally would definitely impact their decision-making process if they were to consider a return visit.

What does a Tokyo visitor want? Regional dictates apply: European and American visitors find Tokyo's hybrid of tradition and modernity alluring. Regional visitors—from the Korean peninsula or China—come to Tokyo for its quality products, including rice cookers and toilets, which have earned feature stories in their own right.

A visitor to Tokyo wants high energy variety with moments for rest: a ride on the Shinkansen and a visit to a neighborhood temple; an elegant dining experience on the 51st floor overlooking Roppongi Hills; and, slurping ramen on a quiet side street.

To a first-time visitor, Tokyo is one sprawling metropolis à la *Blade Runner*, the movie. But to its residents, the city is defined, on the one hand, by government centers, such as those in Chiyoda and Mita wards, which are empty on weekends and, on the other, by the many districts and wards that include the open and pulsing Shibuya, Roppongi, and Akihabara.

A city is more than a place to reside, work, raise children, or study. It is a competitive brand.

image with a brand promise to “become a global leader, making Singapore a great city, a home in Asia for business, innovation, and talent.”

The strategy has been to focus on Singapore in a home context: home for business, home for innovation, and home for talent. The take home message for global talent includes making it desirable and easy for expats to work there by providing quality international schools for their children and a vibrant arts and sporting scene.

Prime Minister Lee Hsien Loong says about this global hub: “to survive, you have to be exceptional.”

Tokyo cannot present a city brand image using the same strategy. Many who work in the metropolis live outside it. Many who visit the city do not stay to work and reside. The real estate mantra (location, location, location) holds.

Since Tokyo is a major hub in East Asia, it should brand itself as Asia's gateway future city. In that spirit, Tokyo 2020 would be the unveiling of Japan as a global leader, with the city as its beating red heart. ■

The Hotel Okura Tokyo holds a special place in people's hearts.



The Internet Economy and Big Data



Japan tackles data protection and privacy

By Richard Jolley

If there is one thing we can agree on it's the rapid pace of technical change. Just compare the TV or cellphone you have today with what you owned a decade ago. Well, the Internet economy is evolving just as fast, and where it stood 10 years ago bears no resemblance to where it stands today.

The accepted rule of thumb is that data worldwide is doubling every two years. We're approaching the zettabyte (one billion terabytes of information) era of Internet-based data, according to Cisco Systems Inc., and with everyday objects about to get their own IP addresses, that figure is going to explode.

It's hardly surprising that the Internet, and the economy it spawned, is driving growth worldwide. Companies are coming up with products and services designed for this new platform, and analyzing big data—the huge quantities of information arising from our digital lives—to tweak and improve their offerings.

Already, the Internet has helped create the world's biggest businesses. Google Inc., for example, ranks fourth among the largest companies by market capitalization, and Apple Inc. is by far the largest, thanks to products like the iPhone, which enable people to consume the Internet economy's products and services. What's more, countries increasingly can't do without their digital businesses. Take the UK, where the Internet economy delivers 10 percent of gross domestic product (GDP)—that's more than manufacturing and retail, according to management consultancy the Boston Consulting Group (BCG).

Companies are coming up
with products and services
designed for this new platform,
and analyzing big data

Yet, according to similar research by BCG, the Internet economy in Japan will still be 5.6 percent—around the G-20 average—come 2016. So why is that? If you compare Japan with other G-20 countries, not least the UK, Japan is in a great position to have a thriving Internet economy. The infrastructure here is second to none. Jim Foster, a professor at the Graduate School of Media and Governance, Keio University, and director of the Keio International Center for the Internet and Society, agrees. "The problem is data utilization," Foster says.

DATA LAW

In 2014, the Internet Economy Task Force (IETF) of the American Chamber of Commerce in Japan (ACCJ) released a viewpoint called the "GOJ Policy Review on the Protection and Utilization of Personal Data." It was a reaction to the Government of Japan Personal Information Review Working Group having published a report with the goal of changing the legislation on data protection and privacy in 2015.

The IETF made a number of recommendations, including eliminating the overlap of government authorities on data protection, and permitting the transfer of de-identified data to third parties.

In September 2015, the government of Japan's upper house passed an amendment to the country's data protection and

privacy laws, which supported the working group's report and many of the IETF's recommendations.

Of the changes, one of the most important is the establishment of the Personal Information Protection Committee. It creates a single body to oversee personal-data law and to coordinate governance. As yet, it is not known how well staffed the committee will be, and Foster fears it may receive no more resources than the My Number social benefits and tax program, an initiative he feels has been underfunded.

With reference to Internet businesses and groups such as the IETF, he says, "It's really important that we give as much support and guidance to the protection committee as possible. If we get it right here, Japan can be a great model for the rest of Asia."

HARMONIZING ACROSS REGIONS

Michiru Takahashi, a partner at law firm Jones Day in Japan, is another voice calling on the government to amend Japan's data protection laws. Takahashi believes that amendment would help harmonize data laws here with those of other regions in the world. She says, "It [would ensure] that Japanese companies with operations in the European Union won't have to go through complicated procedures to take data out of the region. It should be a major cost saving for Japanese companies."

Yoshihiro Obata, president and CEO of BizMobile Inc., raises questions over the effectiveness of the amended law. As Obata says, there is plenty of resistance among Japanese residents to companies using personal data even when controlled.

He adds that many companies are now making inquiries into cyber security insurance to protect themselves.

GLOBAL ISSUE

Although Japan clearly faces challenges, no country can say it's got it completely right. There are just as many, if not more, concerns in the United States regarding personal data as there are here. Gautam Hans is policy counsel/director at the Center for Democracy & Technology (CDT) in San Francisco. The CDT, a non-profit organization, champions the Internet economy and the rights of users to privacy. Hans says the "CDT has long supported consumer privacy legislation based on the Fair Information Practice Principles, which prescribe a system of governance for data stewardship, while still allowing for secondary uses and innovative practices with appropriate disclosures."

JAPANESE APPLE?

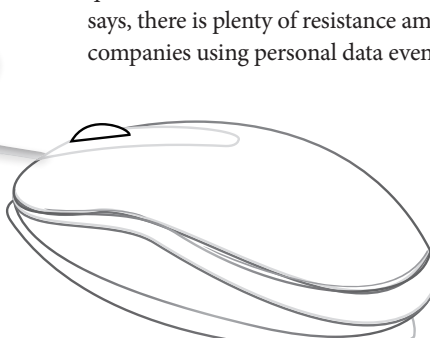
Now that Japan is falling into line with other developed countries concerning data protection, can we expect to see any giants like Google or Apple springing from Japanese shores? Foster says we need to think about how the Internet is developing to answer this question.

"The next big thing," he says, "is going to be virtual reality. Once you put on the goggles, you could be in a conference room in Nigeria or on a beach in Borneo. Virtual reality is going to change the way we interact with the world—and Japanese companies have the skills and

technology to do well. It's going to require some creative destruction and government support, but Japan has the potential."

Masanobu Katoh is country head of Japan for Intellectual Ventures, a global investment company aimed at startups. He says the amendments are good news for Japan's Internet economy, and need to be implemented fast.

"This is a tremendous opportunity for the country," he says. "I hope the changes encourage startups and new business models. Japanese businesses have many strengths in many areas, and the Internet is a way for companies to go global very quickly with new products and services." ■



There is a lot of anxiety about data being hacked

Obata uses the example of East Japan Railways (JR East) trying to sell ticket-related data to third parties. Despite the initiative being lawful, the backlash in the media and online was such that JR East felt forced to apologize for its actions. "It was communicated to the public as a bad thing, and there is no way to fight against that," Obata says.

CYBER THREATS

One shouldn't be too hard on Japanese consumers for their attitudes about personal data. There is a lot of anxiety about data being hacked, and rightly so, believes Motohiro Tsuchiya, also a professor at the Graduate School of Media and Governance at Keio University.

"I believe faith already has been lost," Tsuchiya says. He highlighted reported data hacks, such as that of the Japan Pension Service earlier this year, and warns there is a shortage of skilled systems engineers to fix system vulnerabilities for large Japanese organizations.

Tsuchiya believes many CEOs are at a crossroads. "They want to protect their companies from hacking, but don't want to use too much money for security," he says.



CORPORATE GOVERNANCE REFORMS: A BOARD MEMBER'S VIEWPOINT

By Gerhard Fasol

In March 2014, I was appointed as an independent board director at a publicly listed Japanese company, GMO Cloud K.K. Its core business involves Internet and cyber security, in connection with which it provides digital identity management solutions.

My appointment comes in the wake of corporate governance reforms instituted by Japan. These have been a key element of the third arrow of Abenomics, Prime Minister Shinzo Abe's reform policies to re-ignite the Japanese economy.

While generally welcomed by the business community, the full import of the corporate governance reforms remains unclear. For many, basic questions remain unanswered. These I hope to answer below, from the perspective of a non-Japanese board director of a Japanese company.

VALUE CHAIN

The Tokyo Stock Exchange's (TSE) Corporate Governance Code defines corporate governance as "a structure for transparent, fair, timely and decisive decision-making by companies, with due attention to the needs and perspectives of shareholders, and also customers, employees, and local communities."

The subtitle of the TSE Code is its mission statement: "Seeking sustainable corporate growth and increased corporate value over the mid- to long-term."

Why is the new code important? It's fair to say that our families' means and the quality of life we enjoy depend on the growth and success of companies, including their investment in new technologies and products.

Companies are on one end of the investment chain; on the other end are

pensioners and individuals. In between, there is a long chain of investment intermediaries, including investment fund managers and analysts.

The key is to make companies as successful as possible, so that they may deliver maximum returns to stakeholders. Everything in between is essentially overhead, and needs to be as efficient as possible.

Overall, the investment chain needs to be built on long-term trust and stewardship, not on anonymous momentary transactions. As such, a key component of the investment chain is corporate governance.

WHY JAPAN?

Japan is the only major country with an economy that, apparently, does not grow. Even the Keidanren (Japan Business Federation) and Toray Industries, Inc. Chairman Sadayuki Sakakibara bemoaned this fact during the 2015 Kyoto Bank New Year's Gala event.

Stanford University economics Professor Takeo Hoshi, moreover, has analyzed reasons for a lack of corporate governance reform, and for Japan's economy having stopped growing after, in the 1980s, it had caught up with developed economies.

Clearly aware that this is one of the factors inhibiting Japan's growth, Abe has created momentum for corporate governance reform. But how does policy compare to practice?

THEORY AND PRACTICE

My work as an independent board director of a listed Japanese company is based on the recently revised Company Law and the TSE Code.

In practice, my responsibility is to see that the company is successful and grows in a competitive and fast-moving global market. To do this, I need to understand our company's business, including products and financial results, as well as the global cloud and cyber security markets.

What's more, I need to have the ability to communicate in Japanese with fellow board directors and company executives, including the Group CEO and CEOs of subsidiaries. Most importantly, I need to push my input to execution.

The business reality is that, as of this writing, in this country there are 3,488 publicly listed Japanese companies and some 1,000 large private Japanese businesses.

Some 10 to 20 Japanese enterprises, including Rakuten, are "Englishized" or they hire interpreters at board level. Of the remaining 4,468, virtually all are run using the Japanese language exclusively and by Japanese men.

In a rapidly globalizing world, these companies are in desperate need of internationalization and diversity. This means global input from many different nationalities, and more women at board level.

However, as is widely acknowledged, Japan's lack of international human resources is one of the many factors limiting the country's economic growth and competitiveness.

TROUBLE AT THE TOP

And it's not just the lack of diverse and international talent that ails Japan. A lack of leadership may well be the country's Achilles heel.

Japan undoubtedly has many great leaders, such as Kyocera's founder Kazuo Inamori, who also co-founded KDDI and, when in his 80s, turned around Japan Airlines Co. Ltd. from bankruptcy.

Japan also has many non-leader chief-administrators in powerful positions. Problems and inefficiencies may occur if such chief-administrators can't give up power on retirement and, for example, become advisors to chairmen.

Many Japanese industries showed no growth and no income for 15 years or longer during the so-called lost decades.

This represents a dramatic example of a total industry-wide failure of corporate governance and, surely, a big factor in Abe's push for corporate governance reform.

Recent accounting issues at Toshiba Corporation are a symptom of these much deeper problems. I see Toshiba's accounting debacle in the same way

that some investigators viewed the Space Shuttle Challenger disaster of 1986: Nobel Prize-winning physicist Richard Feynman determined that the cause of the disaster was the failure of top management to communicate with subordinates.

In the case of the Challenger, top management insisted on the planned launch date, while the workers on the ground knew that they were not ready. That failure to listen to those on the ground led to disaster.

WHEN IN TOKYO

How, then, can we navigate Japan's corporate and cultural minefield? When seeking more influence with Japanese companies, it will not do to raise one's voice either at the CEO or in board meetings. It pays to develop trust and relationships, even if you are a shareholder.

Learning Japanese is a good starting point if one is to earn trust and contribute to business achievements in Japan. Another sound step is to partner with those who already have such links and skills.

Furthermore, by working hard until your leadership skills are in demand, or contributing before making demands of your own, one can become an accepted and trusted member of the community.

The same applies to the foreign companies operating in the Japanese market. As your subsidiary in Japan is a Japanese corporation, it pays to ensure the corporate governance of your Japanese subsidiary—defective corporate governance of Japanese subsidiaries of foreign companies arguably caused recent scandals that ensnared some pharmaceutical companies that had entered this market.

To minimize such risk, one has to make good use of one's Japanese board of directors, as ordered by the country's Company Law.

Ultimately, improving corporate governance is one of the factors needed to reinvigorate Japan's growth. It is also clear that cultural inbreeding leads to disaster, and that diversity of leadership is an essential ingredient for growth and success. And knowing the culture and language of the host country is a smart move when doing business. ■

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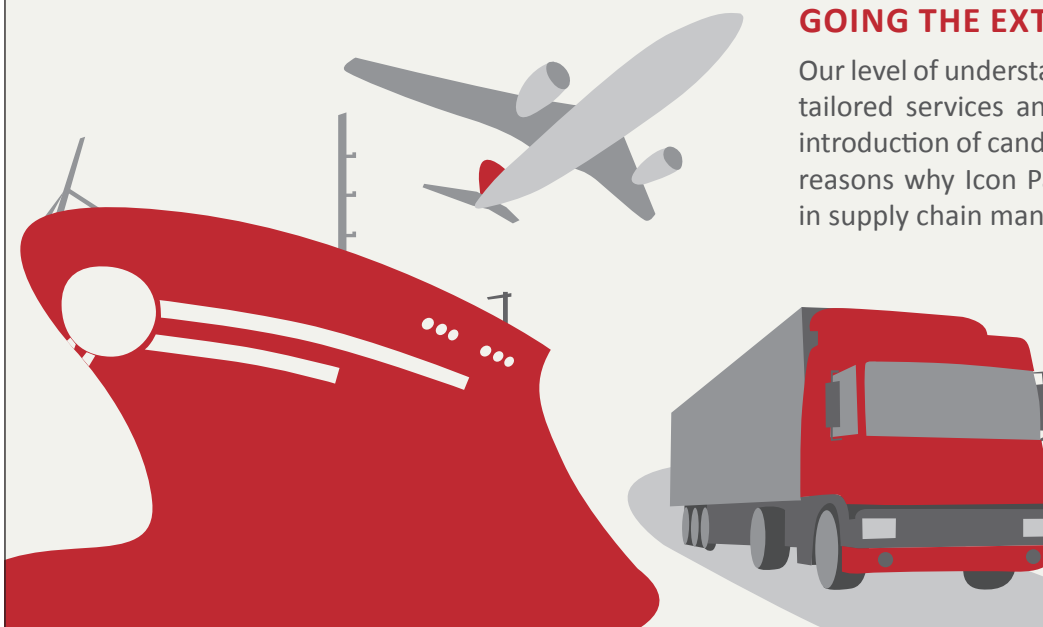
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No assurance of security, even for company intranets

Zero trust may be the sole solution

Translation of article in *Diamond* online

by William H. Saito

@whsaito



While visiting various parts of the United States in August, I came away with the impression that major changes had occurred in the ways society reacts to cyber security.

Previously, such concerns had typically focused on the leaking of credit card numbers, countermeasures that mainly involved halting use of cards with those numbers, and the issuing of new cards. A headache—to be sure—but one that involved damage that was manageable.

More recently, however, troubles have involved a lot more than the simple theft of data.

In June, it was revealed that an attack had been carried out on what had previously been considered a secure server, which managed background check forms; data on some 19 million people had been stolen.

The most common form used, called the Standard Form 86, is submitted before starting employment with the government and, in some cases, the forms contain highly private information.

It may include details regarding the applicant and family members that are practically unthinkable in Japan, such as matters related to psychological health and the history of drug use.

With hacker attacks and leakage of data continuing unabated, cyber security has become a serious issue for society as a whole. At businesses, as well, security measures set up to block incursions at the point of network entry and previously regarded as sufficient, can no longer ensure the protection of data.

Actually, in the past, numerous companies' internal networks had experienced break-ins that had gone undetected, with serious consequences.

As a result, there is now a worldwide trend toward the concept of zero trust. This means that data security cannot

be presumed even within a company, warranting a system of continuous checks.

The time has come to change the way people think about, and deal with, security measures. Previous methods of sharing data to deal with known attack programs and viruses no longer work.

Now there is “zero-day” vulnerability—meaning that once a flaw becomes known, the programmer or developer has zero days in which to fix it, while attacks occur before any countermeasures are made public.

It's essential, then, to know one's enemy. Hacker attacks involve a number of stages. First, a personal computer with some sort of vulnerability is found and used to enter the system.

Then, a person is tricked into clicking on an icon, activating malware. Next, the PC is made to engage in horizontal expansion, searching for the server containing the targeted data. The hacker makes contact and, by issuing commands, steals the data. If one or more of these steps can be thwarted, it is possible to prevent data leakage.

One item that has begun to stand out is a behavior detector, which automatically monitors data activities within a company or organization for signs of irregularities, and issues a warning when suspicious activity is detected.

For example, there are programs designed to detect suspicious activities that might resemble an attack virus, based on such previous experiences as “attack patterns up to now” and “an unnatural attempt to access the sales representative's diagram.”

These are the equivalent of setting up a monitoring camera on the Internet, to proactively guard against damage, including that from subspecies or unknown viruses.

However, as with monitor cameras, suspicious programs aren't always flagged as threats, so it is necessary to have programs that watch for suspicious behavior on corporate internal networks and determine which are actual offenders that should be situated at a separate location—what specialists call a sandbox.

Naturally, like a simultaneous checkpoint, it's best to constantly investigate all data logs in the same manner. This, however, won't work for companies that process excessive

amounts of data. In such cases, it's far more efficient to focus on spotting irregularities.

To confront, and overcome, attacks on servers that have become automated will increasingly require that security also be automated, leading to what will effectively resemble a perpetual game of cat and mouse. ■

Full-length original article:

<http://diamond.jp/articles/-177719>

There is now a
worldwide trend
toward the concept
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E. Keith Henry

A 30-year tale of bridging the gaps between politics, policy, and business in Japan

By John Amari

Keith Henry has used his expertise of the private and public sector in Japan to advise business clients.

PIONEER IN GOVERNMENT RELATIONS

Keith Henry has been a pioneer in developing government relations as a consulting practice in Japan.

But as he is quick to point out, government relations is more than simply helping a client navigate the halls of Kasumigaseki or Nagatacho—where the seats of government are to be found.

Instead, it requires a tacit understanding of the dense matrix of relationships shared among all key stakeholders in policy making, not only among bureaucrats and politicians, but also consumer groups, business and trade associations, academics, and even the media.

What's more, the challenge does not end there. That knowledge of policy, which might be of great interest to a political scientist, must be translated so senior executives whose businesses are impacted by policy making, but who typically do not have the time consider such matters, can grasp it easily.

Henry is uniquely qualified to straddle the seeming unrelated worlds of business and policy making in Japan. In the 1980s, he was fortunate to be selected by a senior member of the ruling Liberal Democratic Party to be his personnel aide.

This began a 5-year odyssey that provided Henry a unique, hands-on experience in the inner workings of politics and policy making. On two occasions, when his political boss entered the Cabinet, Henry was taken along and served on the minister's private staff.

As he says, seeing how his boss's schedule was determined the evening before each business day, and then participating as an observer in each of these meetings, provide him a practitioner's Ph.D. in Japanese politics.

PROVIDING STRATEGY FOR POLICY AND BUSINESS IS KEY

This experience taught Henry the underpinnings of what he refers to as Japan's marketplace ideas and the broad cross section of stakeholders who collaborate and compete to formulate policy.

Indeed, while working in the Diet, Henry gathered data and analysis that allowed him to finish off his master's graduation theses on lobbying in Japan.

Soon after his stint in Kasumigaseki and Nagatacho, he was equally fortunate to study under and then work for James C.

Abegglen, then dean of Sophia University's masters degree in business program, and one of the founding partners of the Boston Consulting Group. Abegglen established BCG's Tokyo office in 1966.

It was here that Henry says he was able to begin to understand the fine points of strategy for the marketplace of products and services from one of the keenest thinkers who focused on Japan during its halcyon days.

Over ten years, it became clear to Henry that the marketplace of policy making rarely overlapped with the marketplace of products in the minds of foreign business community.

Although policy outcomes impacted the competitive positions of businesses in Japan, rarely did the management consultants assess policy as part of their recommendations to their foreign clients, and rarely did he see the foreign business community actively contribute to the policy debates as an accepted insider in the policy making process.

But in that gap, Henry saw a opportunity to provide consulting services where the interests of business, politics and policy intersect. Taking the plunge, Henry hung up his own shingle and established Asia Strategy over 20 years ago.

WHAT WAS TRUE IN THE 1980S REMAINS TRUE TODAY

The intersection between politics and policy, and how it affects business, remains of crucial importance, Henry says.

This is regardless of which administration happens to be in charge at any time, or which way the country's economic and political winds blow.

Over the years, Asia Strategy advises best-in-class companies from a wide range of industries including aerospace, ICT, investment banking, insurance, energy, pharmaceuticals and telecommunications.

The consultancy has also advised on the public policy issues related to some of the largest mergers and acquisitions that have taken place in Japan.

"What allows us to do cover such a broad cross-section of industries," Henry explains, "is our tacit, contextual understanding of Japan—an understanding based on real-life experience in the decision-making process—both in business and government." ■

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Unpacking Trump's Persuasion Power

By Dr. Greg Story

President, Dale Carnegie Training Japan



Donald Trump breaks many of the rules of presenting, but he gets the key stuff right. Love him or loathe him as a contender, he continues to top all of the polls, so he is doing something right. Are there any lessons here for when we give our own presentations?

He is authentic when he speaks. There is no speechwriter grinding away in the background, polishing the prose to within an inch of its life. Nor are there invisible prompters on the left and right to drip feed the speechwriter's input.

He does have some notes, but he barely refers to them. He digresses, goes off on tangents, but the audience understands this is the price for being non-scripted—and they forgive him. He keeps their attention because he concentrates on his audience.

So let's take the good bits and drop the rest. Be yourself; don't ape anyone else. Be you, but try to be the professional you. Focus on the audience, not on the technology, the laptop, the big screen behind you or your notes.

Trump has been getting a lot of practice lately. Prior to this run for the Republican Party nomination for president, he rarely made long public speeches.

Repetition is key to learning new skills, and seizing every chance to present is needed to improve our professional craft. Many people shy away from presenting because they lack confidence or are nervous.

There are techniques for overcoming nervousness, which can be learnt. By increasing the frequency of presenting, we gradually become more comfortable.

Trump's messages can be quickly understood: Build a big wall; everyone is more cunning than we are; make America great again; read *Trump: The Art of the Deal*; it's my own money so I don't owe anybody; politicians are useless; I am rich and successful; I know how to get things done; I am not politically correct, etc.

He is derided as a demagogue, but as a speaker, he presents his ideas in such a way that we can remember them. Isn't this what we also want with our audience?

Think back, though; how many key messages can you recall from the many business presentations you have heard?

I would guess not many.

When we speak, we need to have clarity around the key points we want to get across in the time we have available. Taking on too much content ("death by PowerPoint"), nullifies the key messages we want to have resonate with the audience. A major information dump is also a killer, especially when quoting lots of data. Overload destroys the communication.

Trump totally oozes self-confidence. Confidence certainly sells, and if he has any self-doubt about this new public speaking role for himself, he is certainly not sharing it with the audience. We may not have that same degree of self-belief, or his billions, but we must exude confidence when speaking with our audience.

In Dale Carnegie, we bolster confidence through embracing the 3 E's: We have Earned the right to speak, because we know our subject; we are Excited because of our positive feelings for the content; and we are Eager to share with our audience because we feel this will help them.

Employ the 3 E's and you will become confident. Even if we are not super-confident at first, never ever show that to the audience—people buy speaker self-belief and our job is to provide it.

Trump tells stories. NBC begged me to sign up for *The Apprentice* new season; Carl Icahn told me he is ready to be my negotiator with China; I saw all of these Japanese cars in LA coming out of the biggest ship I have ever seen, etc.

He weaves these vignettes into his speech to highlight his key points. Storytelling works and, as he demonstrates, stories don't have to be lengthy to be effective.

Sprinkle some real-life stories into your presentations to make the content come alive for your audience.

If a novice like Trump can be persuasive as a speaker, why can't we? Study, adapt what works, hone skills, and rehearse, rehearse, rehearse. ■

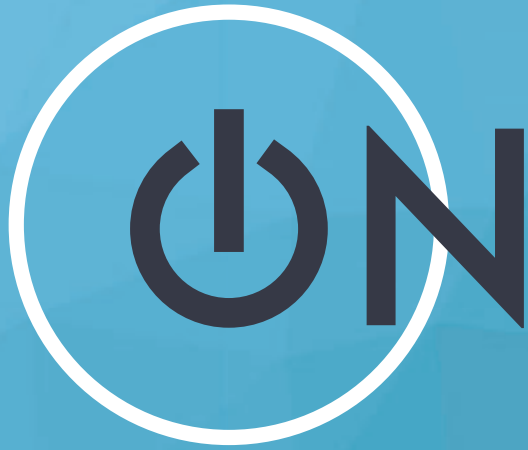
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- 1 Environmental Protection Agency Administrator Gina McCarthy and her team meet with ACCJ leaders on August 24.
- 2 Patrick Sheahen, F-35 Japan in-country director, Lockheed Martin Global, Inc., speaks on the F-35 fighter plane on August 5 at the Hilton Nagoya.
- 3 A group photo taken at the Chubu event, "Breakfast Meeting with Chief Gardner from the U.S. Embassy in Tokyo" on August 19 at the Hilton Nagoya.



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I Hope to See You in Kansai and Chubu this Month



PRESIDENT

Jay Ponazecki jponazecki@accj.or.jp

This year marks the 10th anniversary of the American Chamber of Commerce in Japan (ACCJ) Kansai Walk-A-Thon. Last year, 1,500 people participated. We hope even more will participate this year. Registration starts at 10:00 a.m. on Saturday, October 17, at the Canadian Academy on Rokko Island.

There will also be live entertainment, international food booths, a charity raffle with great prizes and a children's play area.

The participation fee is ¥1,000 for adults and ¥500 for children. Food and drink tickets will be sold separately on site. Please also consider donating more and supporting working women and their families living under difficult circumstances by making a donation that will allow us to invite them to the Walk-A-Thon free of charge.

Supporting and helping raise the awareness of issues impacting working women have been ongoing themes of the Kansai Walk-A-Thon. This year's event is sponsored and supported by more than 40 companies—including many ACCJ member companies—that actively promote diversity. We applaud the Kansai Chapter for having donated ¥39,356,000 over the years to 19 NPOs that support working women.

The beneficiaries of the 2014 Kansai Walk-A-Thon were the Work and Child Raising Counseling Center, NPO Nobel, the Osaka Gender Equality Foundation, the Sakai City Family Support Center, and the Sanno Children's Center.

The ACCJ Board of Governors will hold its next meeting at the Ritz-Carlton Osaka on October 16. Afterwards, there will be a panel discussion with the Union of Kansai Governments followed by a reception with ACCJ members and guests, sponsors and official endorsers of the Walk-A-Thon.

I hope many of you will join us at the panel discussion, the reception and the Walk-A-Thon. I look forward to spending time with ACCJ members and guests and their families in Kansai later this month.

If you would like to register to attend or be a sponsor of one or more working women and their families so that they can attend the Walk-A-Thon free of charge, please email the Kansai ACCJ Office at kansai@accj.or.jp. Thank you for supporting this important annual event.

2015 CHUBU DIVERSITY SUMMIT

On Monday, October 26, in collaboration with the Aichi Prefectural Government, the Chubu Women in Business Committee is holding a full-day summit to generate concrete solutions to diversify the workplace and create more opportunities for women.

The summit will welcome Natsuko Horii of the Ministry of Health, Labour and Welfare and Aichi Prefecture Deputy Governor Akiko Yoshimoto as featured speakers.

The summit's breakout sessions will feature a panel discussion on entrepreneurship and a leadership training workshop. A lunch panel will showcase professionals who are successfully pursuing their careers and taking care of their young and elderly family members.

More details on the program are coming soon via the *The ACCJ Insider*, the ACCJ website and ACCJ social media channels.

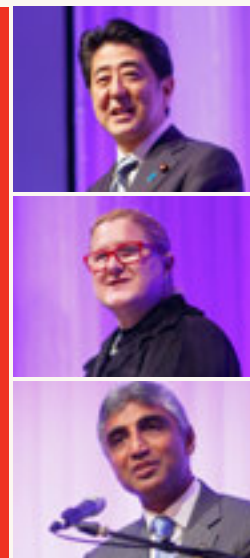
For information regarding the program, how to register, and sponsorship opportunities, please email the Chubu ACCJ Office at chubu@accj.or.jp. I look forward to seeing many of you at the summit. ■



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Less is More

The Garr Reynolds Way

By Anthony Griffin



Communications expert
Garr Reynolds

A rainy, humid night didn't stop an enthusiastic crowd from coming to Knowledge Capital, an Osaka-based innovation hub, for a custom engagement with local and global celebrity presenter Garr Reynolds.

Famous for books such as *Presentation Zen: Simple Ideas on Presentation Design and Delivery* and *The Naked Presenter: Delivering Powerful Presentations With or Without Slides*, Reynolds could be said to have helped fuel the popularity of TED Talks, their style having become a standard for public speaking.

While the event in Osaka—"Creativity and the Power of Design"—was based on Reynolds's blog and books, this particular presentation was customized for Knowledge Capital attendees and members of the American Chamber of Commerce in Japan (ACCJ).

True to what he preaches, Reynolds was audience-focused from the start, presenting in English while his wife provided Japanese interpretation.

The presentation covered 10 easily digestible design principles (including a bonus 11th) tailored to teach "design for non-designers"—a growing segment for entrepreneurs, managers, and employees in an age of split-second marketing where eye-catching imagery is king.

Reynolds was quick to remind the audience that "vision trumps all other senses," and visual messaging needs to accomplish four things:

- **Get attention**
- **Be remembered**
- **Be understood**
- **Lead to action**

These four points are the foundation on which Reynolds' design principles are built. Principle 1, "Get off of the computer," is perhaps the most jarring nugget of advice. In short, when designing your presentations, start with pencil and paper, rather than your favorite slide software.

Reynolds emphasizes simplicity in communication during his presentation.

**Most of us have
been educated or
socialized out
of
our creativity**



Simplicity and the elimination of clutter and noise were key themes woven throughout Reynolds' presentation. It's tempting to cram our presentation slides with as much information as possible, or "death by bullet point," as Reynolds would say. However, it's much more effective to keep things minimal, with plenty of white space. Presenters can always use handouts to provide the audience with more detailed information.

But the most engaging part of the presentation could never be experienced through blogs or books. It was an exercise focusing on adopting a "beginner's mind" toward design.

To illustrate this, Reynolds had audience members pair up and draw pictures of each other. Upon revealing their pictures, nearly everyone apologized for their "works of art," regardless of quality. But, as he pointed out, when children do the same exercise, they almost never apologize.

The point? Most of us have been educated or socialized out of our creativity, and are often ashamed to display it. As adults, we have to make a conscious effort to bring creativity back into our presentations to make them more effective.

Finally, the last design principle ensured that everything about the event sank in: "See the lessons all around you." Reynolds encouraged the audience to discover examples of his design principles in the real world while putting them into practice. This drove home the practicality of the event and attached a great sense of value to it, as the audience seemed to agree.

Stephen Zurcher, ACCJ Kansai Business Programs Committee chair, said: "[Reynolds] once again captivated ACCJ members and guests at his annual presentation for us here in Kansai. Last year, his event was regarded as the best of the year and, no doubt, after we get feedback on this month's event, it will be similar."

Matthew Winfield, ACCJ Kansai Business Programs Committee vice chair, summarized the experience of "Creativity and the Power of Design."

"[Reynolds's] session was simply practical, completely purposeful, and to the point, no doubt causing many to make a hasty retreat back to their offices to re-write presentations for the morning." ■



Attendees at the Garr Reynolds event

Anthony Griffin is the marketing and communications manager at the ACCJ

Healthy Mind, Healthy Body

New Health and Wellness Service for English-Speakers Hits the Market

For many foreigners living, working, or simply visiting Japan, finding the right wellness and medical service providers can be a challenge.

Perhaps due to the language barrier, lack of medical vocabulary, or because they are unfamiliar with Japan, residents and visitors have to rely on friends, colleagues, or strangers to help them navigate the system.

Entrepreneur and long-standing Japan resident Michael Bobrove and his team have created a solution: HealthyTokyo.com, an online community designed to support the health and wellness of English-speakers in Japan.

In a candid interview with *The Journal*, Bobrove, an active member of the American Chamber of Commerce in Japan (ACCJ)—he was also an ACCJ board member as the vice president of the Kansai chapter for four years—speaks about the health and wellness industry, as well as his vision for this new service.

Can you tell us something about yourself?

I've been in Japan for 30 years. I originally came as a student and fell in love with the place. I then went back to the United States, finished college with a major in Psychology, and returned to work in a psychiatric hospital as a counselor where I helped set up their first half-way house in Tokyo.

In the late 1980s, I decided to go for my MBA in international management and marketing, and study Japanese at the graduate level at Monterey Institute of International Studies in California.

After graduation, I came back to Japan and worked in the pharmaceutical and medical device industries for about 20 years.

After a successful corporate career in these industries—and as I've always been an entrepreneur—I decided to build my own company, put together a team, and go for it.

Having studied Japanese and become well versed in a specific area, in this case medical care, I felt set to create a business that would help expats. That's when I started HealthyIM K.K. Our first project was HealthyIM.com, a medical tourism site covering five countries in Asia.

As we progressed, many people were asking us for a Japan-specific health and wellness service. So at the end of December 2014, we launched HealthyTokyo.com.

What was the motivation behind HealthyTokyo.com?

We looked at the people contacting us, who were mainly foreign, and realized that, as advanced as Japan is, and as many people from overseas as there are that speak Japanese, people still don't know where to go for quality healthcare and wellness.

HealthyTokyo.com is not just about finding a doctor or a dentist when you need one ...



Serial entrepreneur and long-standing ACCJ member, Michael Bobrove

What's more, HealthyTokyo.com is not just about finding an English-speaking doctor or a dentist when you need one, but also staying healthy overall. That's why we expanded our vision to keep expats healthy in Japan—it's about not getting sick; it is about staying healthy; eating the right stuff; finding the right exercise and relaxation.

Can you expand on some of the services that you provide?

HealthyTokyo.com offers detailed information about quality doctors, dentists, and wellness providers. A live concierge to make appointments and significant discounts are also offered.

We have what we call health and wellness partners: the first kind are Medical Partners—these are English-speaking doctors and dentists, that we have carefully screened.

And then we have Wellness Coaches—who are lifestyle and healthcare-related coaches: personal trainers; dietitians, motivational coaches, and so on.

We also have the rapidly expanding Healthy Partner section: healthy restaurants (including organic and vegetarian), gyms, spas, Pilates, yoga, massage, shiatsu, any number of things that people are looking for to make them feel good and help them stay in shape.

Can you say something about membership in HealthyTokyo.com?

We have two types of plans for members: a free plan and a premium plan. The free plan gives you access to all the detailed unique partner information that we create.

The premium plan gives members additional access to a live healthcare concierge, as well as to all special discounts and offers from the three partner's groups. In addition, premium members get free introductory sessions with Wellness Coaches.

Where do you see HealthyTokyo in five years?

I see us having more features, and expanding content. As we hold the HealthyTokyo trademark, we are looking at some other initiatives with the brand. So in five years, the important components that serve the community today will still be integral to our business, while we expand to meet the additional needs of our customers. ■





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Practical Steps to Workplace Diversity: Kansai Women in Business Summit 2015

By Rose Tanasugarn

Erin Nolan, representative director of Gap Japan K.K., shares advice for reaching senior positions in "Success Stories: Learning from Women in Leadership."

With the late August enactment of a Japanese law requiring companies with more than 300 employees to be transparent about management promotions, the inaugural Kansai Women in Business Summit provided a timely opportunity to share practical steps and best practices for diversity and inclusion in the workplace.

"The time for action in Japan is now," keynote speaker Sachin Shah said when addressing more than 200 attendees, including 16 members of the Union of Kansai Governments (UKG).

Women account for 80 percent of purchasing decisions in his industry, Shah acknowledged. Thus, having more women employees was a matter not just of greater equality, but of greater competitive advantage. What's more, a sales force that better understands its customers makes better decisions.

Quoting economist John Maynard Keynes, Shah emphasized that, "The difficulty lies not in accepting new ideas, but in escaping old ones." That said, he encouraged the audience to take responsibility and raise awareness to create positive change.

Yumiko Murakami, head of the Organisation for Economic Co-operation and Development, Tokyo Center, highlighted unconscious bias in hiring.

Using the New York Philharmonic to illustrate her point, Murakami related how adapting a blind audition process gradually had led to that organization's greater diversity—by removing false assumptions based on a candidate's physical appearance.

"Everyone knows *why* there should be more women in the workforce. We want to focus on *what* to do to get there," she said.

Murakami emphasized the need for Womenomics 2.0: rather than only increasing number of female employees, companies should provide training and opportunities to build confidence and maximize potential.

On the women in the leadership panel, American Chamber of Commerce in Japan (ACCJ) Vice President Leanne Cutts joined Kotomi Takagi and Erin Nolan in sharing success stories.

"Learn to manage your energy and not your time because work tends to be cyclical and there are times you have to go full-on. You can have it all, but not at the same time. Say 'yes' to opportunities early and often and keep challenging yourself because you don't build a legacy by taking comfortable jobs," Cutts advised.

As a male champion of change, Patrik Jonsson shared his experience as a hands-on parent, joking that it was much easier

leading a company of 250 employees than dressing a two-year-old. To support working parents, Jonsson enacted a corporate policy banning early morning departmental meetings to allow employees to drop off children at school or daycare without worrying about work matters. He encouraged women to learn hard skills such as finance to round out their leadership portfolios.

"Equal opportunities are not just good for people and business, but also a critical step to enable a stronger economic GDP for Japan. [Men] need to drive the change. It needs to start with us."

Co-panelist David Swan agreed. "Men have an important role to play in the empowerment of women. Communication and raising awareness regarding unconscious bias are key factors."

Noriko Hidaka, on the HR best practices panel, shared her Japanese corporate perspective. "It is great to be at an event with multinational corporations," Hidaka said.

"In past forums I have participated in, there were only Japanese corporations involved. There are very few opportunities like this. I want more and more people to participate in the future.

Japanese people have a stronger unconscious bias to overcome. Men have to become more open-minded and give women more opportunities."

In an effort to identify unmet needs, the Kansai Women in Business committee created a wish tree, asking attendees to write their hopes for changes in the workplace.

These wishes and other takeaways from the summit will be shared with the UKG on Friday, October 16, at a pre-event to commemorate the 10th ACCJ Walkathon in Kansai.

In his remarks, ACCJ-Kansai Vice President Kiran Sethi said, "The ACCJ's Women in Business committee started in Kansai 10 years ago, when attitudes in Japan were quite conservative. Some progress has been made, but to reach Prime Minister Abe's target of 30 percent [women in executive positions] by 2020, a change in the mindset is critical.

"We need to keep reminding corporate leaders and boards. We hope that participants will take today's learning back to their companies and translate these ideas about diversity and inclusion into practical actions." ■

The difficulty lies
not in accepting
new ideas, but in
escaping old ones.

Rose Tanasugarn is the ACCJ Kansai's Living in Kansai Committee chair.

Going for a Good Cause

Supporting communities

By Barbara Hancock

While there is no shortage of fundraising activities in the Tokyo expat community, the American Chamber of Commerce in Japan (ACCJ) Charity Ball, the chamber's most philanthropic activity, is an outstanding way for members to give back to the community. Every year, the Community Service Advisory Council (CSAC), with recommendations from the ACCJ leadership and the Charity Ball Committee, select a

group of charities to support. These are our Primary Charities. While we continue to support recovery and rebuilding efforts in the Tohoku region, we remain committed to supporting local charities, and this year's are described below. ■

Barbara Hancock is director and vice president, MediaSense K.K., and chair, Charity Ball Committee.

MIKE MAKINO FUND

The ACCJ Mike Makino Fund for the Homeless is maintained by the chamber for charities that focus on helping the homeless and hungry in Japan. Through it, the ACCJ has financially supported the *onigiri* project, through which volunteers distribute rice balls to hundreds of homeless people in Tokyo parks, including those in the Ueno, Yoyogi, and Shinjuku districts.

This year, as in 2014, the fund will support the Tokyo Union Church and the Franciscan Chapel Center—both of which sponsor and support the *onigiri* project—to feed the homeless temporarily residing in these parks.

The fund also supports the Sanyukai Nonprofit Organization Inc., through which doctors volunteer their services, and the organization provides mental and physical care, as well as food, clothing, and shelter all for the homeless.

TAYLOR ANDERSON MEMORIAL FUND

The Taylor Anderson Memorial Fund was established in Japan in December 2013 by Taylor Anderson's parents and supporters. In collaboration with nonprofit and other organizations engaging in Tohoku recovery efforts, the primary mission of the fund is to help schools, students, and families in the Ishinomaki area recover from the 2011 Great East Japan Earthquake and Tsunami.

LIGHTHOUSE JAPAN

Founded in 2004, Lighthouse: Center for Human Trafficking Victims (formerly the Polaris Project Japan) is the only non-profit organization in Japan that specializes in working to realize a society without human trafficking, a modern form of slavery. Lighthouse runs an anti-human trafficking hotline and provides direct intervention, counseling, and other support for victims of human trafficking. The organization also focuses on awareness-raising and advocacy. Like a lighthouse that guides sailors to safe harbor in the dark, the organization seeks to serve as a light of hope for human trafficking victims.

COMMUNITY SERVICE FUND

The Community Service Fund is an ACCJ board-run fund with a mission to administer the contributions of ACCJ members in support of worthy community service projects.

The fund is also used for emergency requests that come in during the year. The projects include activities of the US business, family, and youth communities, as well as of selected Japanese social welfare organizations.

During the past year, the fund was able to support the Special Olympics Nippon and urgent requests from Global Children's Fund and Lighthouse Japan.

LIVING DREAMS

Founded in 2001, Living Dreams' 2015 challenge is Digital Natives. Through this, the organization seeks to enrich and enable children through experiential learning, professional development, and the utilization of technological tools to discover and live their dreams.

Living Dreams seeks to become the new standard for 21st century learning and living in Japan's institutionalized children's homes. Programs by the organization include the Designing Artist Academy (a therapeutic program for children dealing with traumatic stress, low self-esteem, and other challenges) and Christmas Wish (a collaborative bridge to bring together the community and the children's homes).

YMCA CHALLENGED CHILDREN'S PROJECT-YMCA/ACCJ OHISAMA CAMP

The YMCA Challenged Children Project was set up in 1987, in cooperation with the National Council of YMCAs of Japan and the Tokyo YMCA.

Funds raised by the ACCJ Charity Ball are used to support the YMCA/ACCJ Ohisama Camp. This Tokyo YMCA Center program, held in late summer in cooperation with the ACCJ, involves some 40 children with conditions such as Asperger's syndrome, attention deficit hyperactivity disorder, information processing disorders, and other learning/developmental disorders. The program enables the children to participate in camp activities and enjoy the outdoors.



PHOTOS: ACCJ STAFF

EVENTS



- 1 The Kansai Women in Business Committee records the celebration of a successful inaugural summit at the InterContinental Osaka on September 7.
- 2 Yuko Arimori, president & CEO, Special Olympics Nippon Foundation; ACCJ Executive Director Laura Younger; and Yoshiko Mitsui, chairperson, Special Olympics Nippon Foundation at the ACCJ office in early September.
- 3 Yasuyuki Tanabe, country manager, Airbnb Japan, speaks on Airbnb's global growth strategy at "Airbnb: Growth through a Trusted Company" on August 28.
- 4 Among those attending the birthday celebrations of ACCJ Vice-President-Kansai Kiran Sethi are (from left) Michael Bobrove, Jiri Mestecky, and Patrik Jonsson (right).
- 5 ACCJ members wear red outfits to match the "Tomato Red" party theme.
- 6 United States Environmental Protection Agency Administrator Gina McCarthy (6th from right) and her team pose with ACCJ leaders after a briefing on August 24.

UPCOMING EVENTS

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

- OCTOBER 8**
 The Power of You: Why Everyone Can Benefit from Building a Personal Brand through Social Media (Tokyo)
- OCTOBER 17**
 2015 ACCJ Kansai Walk-A-Thon (see page 39)
- OCTOBER 26**
 2015 Chubu Diversity Summit: Identifying Problems, Finding Solutions for a More Diverse and Productive Workplace (Chubu Event)

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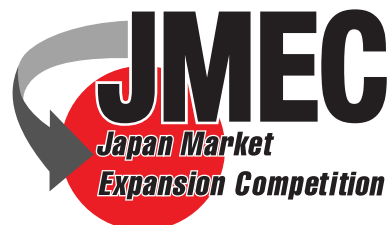
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Strategy at Work

How to navigate office life

By Vicki L. Beyer

Office politics. It's a concept so wrought with negative imagery that it causes many working adults, especially women, to cringe and turn away.

Bonnie Marcus, in her book *The Politics of Promotion: How High-Achieving Women Get Ahead and Stay Ahead*, suggests that this reaction is based on an erroneous understanding of the concept.

According to Marcus, politics—the art of building and making effective use of relationships—exists inside and outside the workplace. She argues that it is this ability to strategically network that marks the difference between a doer and a leader.

Marcus argues that women need to become politically savvy ...

Many women, in particular, over-focus on the work, on doing a good job. Marcus notes the “usual” female practice to keep one's head down and do a good job, expecting that people will come. Sadly, as she amply demonstrates, the world really doesn't function that way: “our work does not speak for itself.”

Marcus argues that women need to become politically savvy, understanding the environment in which they work and devising ways they can strategically network to raise their own value in an organization—in part by ensuring that key stakeholders are well aware of how they add value. “Don't leave [your success] up to chance.”

She advocates a two-pronged attack. Doing good work is, of course,

essential. But additionally, a successful woman (or man, for that matter) needs a box of tools that will help with soft skills:

- Self-awareness and ability to articulate her value proposition
- Grasp of workplace dynamics, and where power and influence lie
- Ability to cultivate ties to key interests and decision-makers
- One or more sponsors to advocate on her behalf at crucial moments
- Objective assistance to assemble the pieces

The central chapters of the book go in-depth to explain the tools and how to get them, often by building them ourselves. There are real-life examples of mistakes and success stories, often with all-too-familiar fact patterns.

To help readers get started, a “Political Skills Assessment” worksheet is provided. Other helpful worksheets are sprinkled throughout the book, covering factors such as identifying power and influence around one and awareness of gaps in one's attributes/skills/experience.

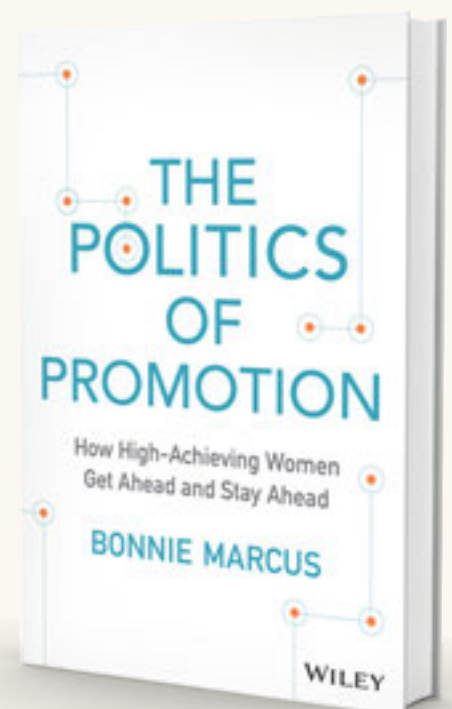
Interestingly, although this is, to some degree, a self-help book, one of Marcus' key points is the importance of others to one's success. Not only do we need to get comfortable with quid-pro-quo networking and collaboration, we need sponsors to help us advance.

Additionally, we need what she calls GPS: an awareness of where we are and when we have gone off-course that is best provided by an executive coach. She seems to be saying “you can't possibly sort this out on your own; you need professional help.”

At the same time, Marcus' uses of examples from her own career as an executive coach make this part of the book feel like an infomercial. That notwithstanding, her practical points about knowing when to seek coaching, how to identify the type of coaching one needs, and how to identify the right coach, are all extremely helpful.

Although Marcus is particularly addressing typical career mistakes of women, much of the book's content is applicable to both men and women as they develop their careers. What's more, many aspects of Marcus' advice could be applied to operating successfully in any diverse workplace where one is not a member of its dominant culture, such as a non-Japanese in a Japanese workplace, or vice versa. ■

Vicki L. Beyer is a vice-chair of the Women in Business Committee of the ACCJ.



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Internet Economy Task Force

The Internet Economy Task Force (IETF) of the American Chamber of Commerce in Japan (ACCJ) has been assigned the development of viewpoints and policy recommendations for Japan's engagement with the Internet economy and related issues.

As Yoshitaka Sugihara, chair of the IETF says, "The Internet is a resource for development and new business. But as it develops, a number of challenges exist, including regulatory and cross-border ones."

To this end, the IETF liaises with the business community in Japan and the US, as well as with the relevant authorities in government in both countries, to find solutions in areas where difficulties for business may arise.

Megumi Tsukamoto, vice chair of the IETF agrees. "If we can support and encourage more US-Japan collaboration—not only between private sectors, but also government-to-government—to make a smarter world, then that would be a success."

CHANGING ECONOMY

One feature of the Internet economy, Sugihara explains, is the fast-changing nature of products and services that are being created. While everyday data flows are usually defined by national boundaries, the Internet has given rise to the borderless nature of data flows.

This aspect of the new economic landscape has created a need for greater collaboration between countries if mutual economic growth is to be achieved, and that collaboration includes US-Japan relations.



Yoshitaka Sugihara, chair, IETF

Moreover, "The close collaboration between the US and Japan on the Internet economy," Sugihara says, "can be leveraged and extended to other regions, including Asia."

What's more, a key agenda item for the IETF is cyber security and related concerns: an over reliance on data

localization—as compared with using more robust globalized data flow systems and standards—Sugihara says, can lead to vulnerabilities in domestic network security.

"These concerns are similar to the old debates over managed economies and free trade," Sugihara explains. "In the short term, managed trade worked well. But, eventually, it was generally understood that free trade made more sense." Thus, the IETF recommends adoption of global data flow standards and cross-boarder Internet governance norms.

PERSONAL DATA

The IETF, furthermore, has worked closely with government and industry in the area of personal data protection.

"The Personal Data Protection Act amendment is one of the critical issues

for all private companies which are operated in Japan," Tsukamoto says.

In a July 2014 viewpoint, titled "GOJ Policy Review on the Protection and Utilization of Private Data," the IETF recommends that companies be able to aggregate and use data to benefit customers. And proper controls ought to be included to ensure personal data is protected.

The new data protection act, passed on September 3, 2015, will be a priority item for the IETF during the rest of the year and into 2016, with the next IETF dialogue set to commence in December this year.

The pot of gold at the end of the rainbow is the imminent development of the IOT

INTERNET OF THINGS

For Sugihara and Tsukamoto, the pot of gold at the end of the rainbow is the imminent development of the Internet of Things (IOT).

"If the Internet economy develops into the IOT, which is the integration of industry and the Internet," Sugihara says, "then the potential for economic growth is limitless."

Tsukamoto shared similar sentiments. "The IOT, big data, and artificial intelligence are included in the government's growth strategy for 2015. The Internet economy, moreover, is recognized as an engine for growth."

"With the government of Japan thinking positively, and Japanese companies being aggressive on IT investment, I'm quite optimistic that the Internet economy would strengthen Japanese competitiveness." ■

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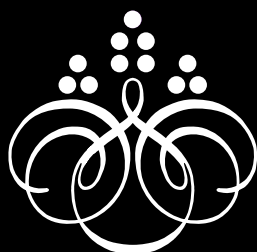


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