

The magazine of the
British Chamber of
Commerce in Japan

JACUMEN

ECONOMY
EXPORT TO JAPAN
REAL ESTATE
HEALTH
MEDIA
COMMUNITY
ARTS
and much more

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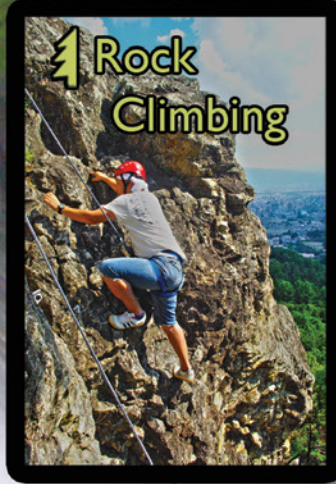


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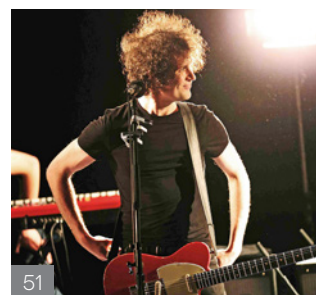
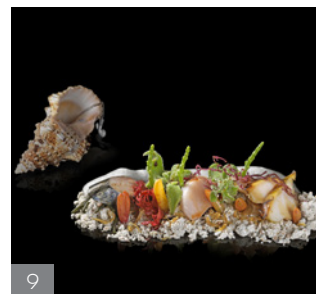
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The British Chamber of Commerce in Japan

BCCJ MISSION

To strengthen business ties between Britain and Japan, promote and support the business interests of all our Members, and actively encourage new business entrants into the Japanese market as well as Japanese investment into the UK.

LEADERS

President: David Bickle
Deloitte Touche Tohmatsu

EXECUTIVE STAFF

Executive Director: Lori Henderson MBE
Operations Manager: Sanae Samata
Membership and Marketing Assistant: Sarah Firth

EXECUTIVE COMMITTEE

Reiko Sakimura | Clifford Chance Law Office
Iain Ferguson | Lloyd's Japan Inc.
Graham Davis | Individual Member
Haruno Yoshida | BT Japan Corporation
James Dodds | KPMG
Alison Jambert | Eat Creative K.K.
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Richard Thornley CBE | Individual Member
Philip T Gibb OBE | Individual Member
Simon Farrell | Custom Media K.K.
James Weeks | Kreab Gavin Anderson K.K.
Anna Pinsky | Individual Member

EX OFFICIO

Sue Kinoshita | British Embassy Tokyo
Jeff Streeter | British Council Japan

BCCJ ACUMEN

Editor in Chief: Simon Farrell

British Chamber of Commerce in Japan
12F Ark Mori Bldg.

1-12-32 Akasaka, Minato-ku, Tokyo 107-6012
Tel: (03) 4360-8361 | Fax: (03) 4360-8454
info@bccjapan.com | www.bccjapan.com

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3-6-25 Shiba-Koen, Minato-ku, Tokyo 105-0011
tel: 090-6480-4542 email: gilma.yam@gol.com
www.saintalbans.jp



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CONTRIBUTORS

BCCJ members and writers are welcome to submit ideas for content, which will be reviewed by the editor.
brandi@custom-media.com



Julian Ryall

Japan correspondent for *The Daily Telegraph*.



Mark Schreiber

An author and translator who has been based in Tokyo since 1966. Mark was employed as a media analyst in market research before turning to freelance writing.



Tim Maughan

Osaka-based freelance business and industry journalist.



Dr Tom Lomax

A general practitioner at the Tokyo Medical and Surgical Clinic. After training in the UK, he obtained a Japanese medical licence in 2008.



Hana Ariga Shaver

Executive director of Fraud Investigation & Dispute Services at Ernst & Young ShinNihon LLC (EY).



Catherine E. Palmer

A partner in the Hong Kong office of Latham & Watkins. Catherine is a former US federal prosecutor who represents multinational firms involved in criminal and regulatory investigations.



Daiske Yoshida

A litigation partner in the Tokyo office of Latham & Watkins. Daiske has extensive experience in cross-border litigation, arbitration and investigations, in areas such as antitrust and anticorruption.



Anthony Millington

Director general of the Tokyo office of ACEA (the European Automobile Manufacturer's Association) and chairman of the European Business Council Automobile Committee.



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Daiwa Azabudai Bldg. 6F
2-3-3 Azabudai, Minato-ku, Tokyo 106-0041
(03) 4540-7730
www.custom-media.com

PUBLISHER Simon Farrell	MARKETING MANAGER Megumi Okazaki
PRESIDENT Robert Heldt	SALES MANAGER Leon van Houwelingen
CREATIVE DIRECTOR Cliff Cardona	ACCOUNT MANAGER Kieran Quigley
ART DIRECTOR Paul Leonard	ACCOUNT EXECUTIVES Jody Pang Kasia Mecinski Hiroshi Torobu
GRAPHIC DESIGNER Michael Pfeffer	VIDEO PRODUCER Gamma Siregar
EDITOR Brandi Goode	MEDIA COORDINATOR Kana Shimoyoshi
CLIENT SERVICES DIRECTOR Sam Bird	

To advertise or order *BCCJ ACUMEN*: inquiries@custom-media.com

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Occasionally ask key members of the *BCCJ ACUMEN* team to share their thoughts on helping produce the magazine. This month, the page belongs to Brandi Goode, who reflects on her tenure as an American editor of a British magazine in Japan.

"*BCCJ ACUMEN* is a one-of-a-kind publication in Japan. Truly a readers' magazine, it aggregates news, industry insights and cultural reports to both inform and entertain a broad audience of leaders and professionals.

This issue is no exception. Following nail-biting annual elections, David Bickle has written his first address as British Chamber of Commerce in Japan (BCCJ) president (page 15). Other firsts, referred to by the executive director (page 11), include the first tie for the 15th seat on the executive committee (excom).

May also marks the beginning of the Export to Japan column (page 38). The BCCJ is a strategic partner of this initiative, led by UK Trade & Investment Director Sue Kinoshita, who signed on again this year as an ex officio member of excom. Each month we'll print excerpts from articles on the Export to Japan website, including case studies featuring UK firms.



Winds of change

Food, photos and a farewell

SIMON FARRELL
simon@custom-media.com

The mouth-watering Foodex Japan story (page 24) highlights how even small businesses can find a niche market here.

These purveyors of the best British fare serve to reinforce the UK government's Food is GREAT campaign, which continues to be a hook for tourism. In a country often described as a paradise for foodies—a group to which I

personally subscribe—premium British food and beverage brands stand to do well.

Echoing the theme, VisitBritain, Japan invited celebrity chef Gary Rhodes to host a series of events at the Shangri-La Hotel, Tokyo last month. From what we hear, Rhodes and his team delighted diners with his own spin on British classics.

Vehicles and motorsports dominate this issue of *ACUMEN*, with iconic big-bike and classic-car manufacturers showing their mettle in Japan (page 40). Our photo feature on the Great British Rally is yet another first we hope to make regular. Shutterbugs are invited to submit series of pictures, taken in Japan or the UK, for consideration as photo spreads. Send an email to simon@custom-media.com with your ideas and snapshots.

Ironically, this issue filled with firsts is my last as editor of *ACUMEN*. I've thoroughly enjoyed personally getting to know so many of the BCCJ members. In particular, the excom and secretariat have been a joy to work with and incredibly supportive.

A sincere thanks to each of you for helping this American navigate the world of British business in Japan. I've even managed to start using the Queen's English in personal correspondence outside work.

In the future, I'll be focusing on other projects at Custom Media, but, if I'm lucky, occasionally you may find me lingering at a 51 Night event. Meanwhile, I encourage readers to stay involved with *ACUMEN*; I'm sure there are plenty of exciting new firsts ahead." 🇬🇧

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JAPAN ■ INDIA ■ HONG KONG

MEDIA



James Dyson with Tap, a device that both washes and dries hands.

High-tech taps enter market

Dyson Ltd. is banking on success for its Airblade range of sink fixtures in the Japanese market, the *Daily Express's* express.co.uk website reported on 9 April.

Chief Executive Officer Max Conze said, "We're taking Dyson into Japanese washrooms. We hope to fuel our rapid growth across Asia". The Airblade models include the Tap device, which is capable of both washing and drying hands at the sink in a mere 12 seconds. Tap is already sold in 68 countries.

Conze added that the model would fit well in Japan, where 73% of people have high-tech toilets.

Top brass speaks at Diet

UK Chief of Defence Staff General Sir Nicholas Houghton spoke about the UK-Japan partnership at the Diet on 14 April, the Royal United Services Institute (RUSI) website reported on 28 April.

An audience of 250, comprising a wide cross-section of Japan's political and defence community, were at the legislature to hear the speech. General Houghton advocated an "enhanced and formalised" partnership between the two nations that would help address current global and regional struggles.

He highlighted the importance of preserving a rules-based international order and the inherent struggles that come with the task. "Maintaining stability while accommodating change" has become, he said, "the grand strategic security challenge of the age".

HS2 recruits foreign experts

The firm responsible for developing the UK's high-speed rail network has signed a contract with Japan International Consultants for Transportation (JIC), the *Global Rail News* website reported on 9 April.

East Japan Railway (JR East) has a majority stake in the JIC, the mission of which is to export Japan's rail expertise to benefit railway projects abroad.

In March, the JIC sent a fact-finding mission to the UK, and is drawing up a report on business opportunities there for Japanese operators. JR East opened a London office on 15 April.

English town in Kyushu

A hamlet on Japan's third-largest island has been modelled in the image of the Cotswolds, *Japan Today* reported on April 21.

Yufuin Floral Village was opened by a local proprietor in November 2012. The buildings in the development were designed to look like those in the Cotswolds, an area with charm that led to it be chosen as a set for several Harry Potter films.

Although the Kyushu town is quite small, it features manicured English gardens, a Peter Rabbit petting zoo, as well as several small shops and restaurants with quaint, cottage-like storefronts.

There's even a small inn for those who want to maintain the fantasy for longer than one afternoon.



Yufuin Floral Village was made to look like the Cotswolds.

Students excel in problem solving

Both English and Japanese students ranked highly in problem-solving skills, according to a recent study by the Organisation for Economic Co-operation and Development (OECD), *The Independent* reported on 1 April.

The study, the first international assessment of its kind, covered 44 nations. Findings revealed that "students in England perform significantly above the OECD average in problem solving (scoring 517 points compared with the OECD average of 500). England ranks above the top-performing [continental] European countries". The report puts England in 11th place among global peers.

However, the UK still lags behind Japan, which scored 551 points.

London firms lead governance charge

UK fund manager Hermes was among the first signatories to a new corporate governance code in Japan, the *Financial News* website reported on 15 April.

The new code, governing investor behaviour, emerged in the aftermath of the Olympus scandal made public by executive-turned-

whistleblower Michael Woodford MBE. The UK published its first Stewardship Code in 2010.

Hermes executive Colin Melvin said, "It all stemmed from the UK's response to the financial crisis—but [the establishment of governance codes is] gathering steam now. It's going global".

Fashion brand seeking suitors

Uniqlo's parent company is in talks to buy British design brand Cath Kidston, *The Daily Telegraph* reported on 13 April.

Fast Retailing Co., Ltd. has reportedly held meetings about acquiring the retro floral design brand. Luxury goods group LVMH has also been named as a potential bidder for Cath Kidston.

The eponymous founder of the line of accessories and clothing set up her first shop in western London in 1993.

Cath Kidston opened its first shop abroad in Tokyo in 2006 and now has 33 stores throughout Japan. A price of around £250mn has been suggested for the sale.

A look at elite restaurants

London and Paris tied as cities with the most highly rated restaurants, while Tokyo and New York were in second place, according to a recent survey in *Elite Traveler*.

Results from the "Elite 100 Restaurants 2014" showed London and Paris each have 16 of the best fine-dining venues, while Tokyo and New York each have six. By country, France has the most restaurants ranked in the survey, while the UK and the US tied for second.

Topping the list was Alinea in Chicago, with Heston Blumenthal's UK-based The Fat Duck coming in third. London-born Blumenthal, a celebrity chef, also scored the readers' choice award for Chef of the Year.



The Fat Duck's "jelly of quail, crayfish cream" dish. • PHOTO BY ASHLEY PALMER-WATTS

Plant drives man to murder spouse

A man living in the West Midlands murdered his wife and blamed Japanese knotweed for his and her deaths, *The Daily Telegraph* reported on 31 March.

Dr Kenneth McRae bludgeoned his wife to death and then committed suicide. In his final note, he claimed his sanity had become "disturbed" by fears the invasive plant would reduce the value of his mortgage-free property.

"I believe I was not an evil man, until the balance of my mind was disturbed by the fact there is a patch of Japanese knotweed which had been growing over our boundary fence on the Rowley Regis Golf Course", he wrote.



Japanese knotweed can grow through walls and roads.

Japanese knotweed was introduced in the UK by the Victorians. In Japan, the plant's growth is controlled by natural predators such as insects and disease. In Britain, however, it is virtually indestructible, and can grow up to 10cm a day through roads, and floorboards.

"Cultural diplomat" dies

Former British Council director and Japan stalwart Peter Martin MBE has died, *The Japan Times* reported on 8 April. He was 83.

Born in London, Martin was posted to Kyoto in 1963. As the only "official" British figure living there at the time, he entertained scores of British dignitaries as well as artistic leaders on their visits to Japan.

Martin retired in 1983 to dedicate himself to writing, under the nom de plume James Melville. He produced 13 detective novels set in Kobe that were well received in Japan and abroad.

In the course of his duties, he found the time to learn Japanese thoroughly, opened a new cultural centre and supervised the British Pavilion at Expo '70 in Osaka. 🌸

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The results of our hotly contested 2014–2015 BCCJ executive committee (excom) elections were announced at the BCCJ annual general meeting (AGM) on the evening of 23 April.

Held at the Shangri-La Hotel, Tokyo, the meeting attracted a record number of attendees, and was opened by British Ambassador to Japan Tim Hitchens CMG LVO. The ambassador praised the strength of UK–Japan business relations, and acknowledged the valuable work done by BCCJ members in support of this partnership.

Outgoing BCCJ President Alison Jambert went on to present the chamber's annual report, and thanked members for their backing during the past year.

I could then announce the excom election results. From 9 April, we rolled out the most competitive elections in our 65-year history. Under our constitution, the excom is run by a minimum of 12 and a maximum of 15 people. We had 25 qualified and approved candidates competing for 15 excom seats, and by the voting deadline of 6:30pm on 21 April, we had received 119 votes from BCCJ members.

I also revealed another “first” for the BCCJ: a tie for the 15th



Record-breaking year

Voter turnout, number of candidates in annual elections

LORI HENDERSON MBE

excom seat. Candidates 15 and 16 had received the same number of votes. Therefore, in line with the BCCJ constitution, we moved ahead with the election of 14 candidates.

The names of the 2014–15 BCCJ excom members are as follows:

- **David Bickle**, Deloitte Touche Tohmatsu

- **Reiko Sakimura**, Clifford Chance Law Office
- **Iain Ferguson**, Lloyd's Japan Inc.
- **Graham Davis**, Individual member
- **Haruno Yoshida**, BT Japan Corporation
- **James Dodds**, KPMG
- **Alison Jambert**, Eat Creative K.K.

- **Jonty Brunner**, British Airways
- **Yoko Kosugi**, The Royal Bank of Scotland plc
- **Richard Thornley CBE**, Individual member
- **Philip T Gibb OBE**, Individual member
- **Simon Farrell**, Custom Media K.K.
- **James Weeks**, Kreab Gavin Anderson K.K.
- **Anna Pinsky**, Individual member

David Bickle, of Deloitte Touche Tohmatsu, was elected chairperson of the excom and president of the BCCJ.

Sue Kinoshita, director of UK Trade & Investment at the British Embassy Tokyo, and Jeff Streeter, head of the British Council in Japan, will continue to represent their respective organisations as ex officio members of excom.

This year's excom elections, the first to be conducted online, via a secure voting platform, saw a record 38.3% voter turnout, and the AGM was the best-attended annual meeting on record.

Congratulations to the successful candidates, and thank you to everyone who participated in these record-breaking elections for the BCCJ! 🇬🇧

Rebranding challenge

Can you give us a good tag line?

Refugees International Japan is a small NPO that supports projects around the world for people displaced by conflict.

We want YOU to decide our tag line—something that says we support refugees as they regain their self-respect and learn new skills or rediscover old ones.



www.refugeesinternationaljapan.org

Requirements:

Short and snappy, but informative
Contains the word “refugee(s)”

The winner will receive a dinner for two at The French Kitchen, at the Grand Hyatt Tokyo. Second and third place entries will also receive special prizes. All winners will be acknowledged on the RIJ website, Facebook page and other social media (unless you prefer anonymity).

Winners will be announced at our upcoming **Wheels and Deals event** on June 6, 2014.

Please email ideas to:
info@refugeesinternationaljapan.org

Deadline June 2, 2014



MEDIA

MACKINTOSH SHOPS EXPAND PRODUCT LINES

In 2007, apparel manufacturer Sanyo Trading concluded a licencing contract with Mackintosh. The *Nikkei Marketing Journal* (18 April) reports the UK brand, established in 1823, is becoming especially popular among consumers in their 30s.

At the end of February, a shop in Fukuoka City was redesigned to project the Japanese distributor's new "Mackintosh philosophy". The interior walls are draped with the brand's signature red, navy blue and beige tartan pattern, which has been used in items such as scarves and slippers.

Sanyo began selling women's products in spring 2008, but

demand for menswear was initially disappointing. However, Trotter jackets, which were introduced in 2010, scored a hit among men, and a total of 50,000 have been sold. The item proved particularly popular with businessmen and has helped to boost brand familiarity.

After expanding the men's collection to include trousers and shirts, the firm began receiving requests to set up sales spaces in department stores. By the end of 2011, there were 36 such outlets, and sales had nearly doubled from the previous year, when only 20 department store units had been in operation.



Shops are decorated with the brand's signature hues.

Last year, Sanyo added a premium Signature Line of cold-weather items.

This autumn, retailers will offer coats priced from ¥44,000 to ¥140,000. Next on the agenda is a

new licencing contract for the Mackintosh London line of deluxe men's and women's garments, scheduled to make their appearance in shops by autumn 2015.

RETAIL DEALS COUNTER TAX HIKE

To stimulate demand and keep consumer morale from flagging following the increase in the consumption tax rate from 5% to 8% on 1 April, retailers and service providers have been adopting a variety of promotional gimmicks.

Nikkan Gendai (5 April) reported that at branches of Seiyu supermarkets, customers were informed that if they were dissatisfied with any merchandise, on presentation of the receipt they would be given an immediate refund. The programme applies to such fresh food items as meat, fish and vegetables.

"The full refund programme was initiated by Walmart stores in the US and was the first of its kind in the world", a Seiyu spokesperson was quoted as saying. He added that the system has subsequently been adopted by supermarkets in Canada, Mexico and the UK.

Meanwhile, until 8 June, patrons at Suntory-operated restaurants will be eligible

for a drawing with a top prize of ¥100,000. During the first six days of April, Sogo-Seibu department stores offered lucky bags marking the advent of spring (and called *haru no fukubukoro*), a practice normally only conducted to mark the New Year holiday. Seven-Eleven convenience stores issued double points for users of Seven & I Holdings Co. electronic payment service cards, called "nanaco", during the month of April. And Megane Ichiba, a retail chain (with 56 outlets in Tokyo) that sells eyewear, offered a ¥1,000 discount on purchases of two or more items. The offer ended on 6 May. QB House barbers have targeted seniors; those who can show ID proving they are over 65 can waive the ¥80 consumption tax on services costing ¥1,000.

In one of the most creative promotional efforts so far, the Hanamaru Udon noodle



Hanamaru Udon gave customers 8% more noodles to offset the tax hike. • HANAMARU INC.

restaurant chain began charging the higher consumption tax rate on all its menu items, but until 13 April offered customers 8% more noodles per serving.

GROWTH SEEN IN FOOD DELIVERY

One of the fastest-growing businesses you've probably never heard of is Demae-can, an internet-based home delivery food service founded in Osaka in 1999. The online business currently operates 12,000 outlets nationwide, with subsidiaries in Seoul and Beijing. Its sales revenues last year, reports *Nikkei Business* (24 March), were nearly double those of 2012.

While standard fare ranges from *bento* to burgers, the firm said its sweets division grew the fastest last year. Orders of pancakes, an item particularly popular with women, nearly tripled in 2013, and demand has also been steady for "ethnic" dishes and *kamameshi* (individual portions of rice, meat and vegetables steamed together in a small pot). Menu diversification is serving to banish the widespread impression that home delivery foods are confined to sushi and pizza.

Demae-can's main appeal to consumers is that it gives them the sense of eating out while dining at home. Another key factor behind the site's success is its offering of single portions, with no minimum fee per order. One-person orders have grown from around 10% of total demand 10 years ago to 25% at present. The firm has even created a special menu for single diners; Chinese-style dishes and curry with rice are currently the most popular items.

Earlier this year, Demae-can launched an experimental campaign that extended hours of operation to cater to late-night snackers. Whereas previously orders were accepted up to 11:45pm, about one-fourth of Demae-can's outlets agreed to extend deliveries to as late as 2am. The move was aimed at catering to students cramming for university entrance examinations, but also found unexpected favour with company employees who get home late after working overtime. The campaign proved so popular it was extended for an additional 30 days, until the end of March.

Two other firms, Tokyo-based Thali-ya (specialising in Indian cuisine) and Hokkaido-based Co-op Sapporo (part of an agricultural cooperative) have also been making headway in their respective markets. While Japan's food and beverage industry continues to struggle, services delivering prepared and semi-prepared foods to customers' homes have been growing around 4% annually.



Demae-can offers a special menu for single diners.

MORE PEOPLE ENJOY DRINKING WINE AT HOME



Premium labels can be tasted by the glass in Aeon supermarkets. PHOTO COURTESY OF AEON

Although overall consumption of alcohol has been declining in Japan for some time, sales of wine in 2014 are projected to rise for the sixth consecutive year, with demand exceeding 350,000kl. A key factor behind the growth, reports *Nikkei Marketing Journal* (11 April), is increased consumption in homes.

Direct imports by major retail chains such as Aeon supermarkets have made it possible to keep prices low. The chain has also installed a large wine dispenser in its store in Makuhari, Chiba, where premium labels may be tasted by the glass. Thus, while a bottle of 2008 Chateaubriand Beaujolais has a retail price of ¥64,762, customers may taste the wine in a 30ml glass for ¥2,900. Some 32 wines are available for tasting.

"We have more opportunities to drink wine at home with our evening meals", a 45-year-old housewife is quoted as saying while shopping.

Seijo Ishii, another supermarket operator, has some 1.5mn bottles in climate-controlled storage at any given time.

Considering that wine accounts for only 5% of Japan's total consumption of alcoholic beverages, considerable potential remains for future growth. 🇯🇵



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ROBERT WALTERS

It is a great honour to have the opportunity to address readers of *BCCJ ACUMEN* as the newly elected president of the British Chamber of Commerce in Japan (BCCJ). One of the privileges of this role is that I am able to publicly acknowledge the efforts and achievements of those individuals who have contributed to the chamber, its mission and its operation.

Most important, I would like to begin by thanking all of the nominees who stood in the recent executive committee (excom) elections, and all of the BCCJ members who exercised their right to vote. The level of participation was tremendous, which reflects the vibrancy that makes the BCCJ such an important and effective organisation.

As a chamber, the BCCJ is very fortunate to enjoy the valuable support of the British Embassy Tokyo and UK Trade & Investment (UKTI) Japan. I would like to express my gratitude to both British Ambassador Tim Hitchens CMG LVO and UKTI Director Sue Kinoshita for demonstrating that support by attending the recent annual general meeting (AGM) at the Shangri-La Hotel, Tokyo.

The past year has been a successful one for the chamber,



Special thanks

Members, ex-officio and outgoing leaders deserve recognition

DAVID BICKLE
@BCCJ_President

and my final words of thanks are to our outgoing president and vice-president. Alison Jambert's leadership has been instrumental in the chamber's strong performance over the past 12 months, while Suzanne Price's selfless and dedicated commitment was crucial in delivering the magnificent 2013 British Business Awards—the

highlight of our annual events calendar. Both have been ably supported by various BCCJ task forces throughout the year, but I am sure members will agree that their contributions are worthy of special mention.

To the members of the 2014 excom, I offer my sincere congratulations. It is a tremendous honour to chair the committee,

and we have a busy and exciting year ahead. Collectively, as stewards, we have a duty to preserve the many and varied achievements of the chamber to date, and also an obligation to be a catalyst for its future development.

These duties and obligations present a perennial challenge to the chamber's leadership. However, when I see the talented people who have joined the 2014 excom and the tremendous ability and energy in the secretariat, I am confident that the BCCJ will continue to offer an unrivalled platform for business interaction. We will also look to further expand our membership in the year ahead, to create a richer, deeper and more diverse community focused on fostering bilateral relations.

I look forward to working with the excom and secretariat to make this another great chapter for the BCCJ. But more than anything, I look forward to the continued commitment of our members. I encourage you to participate in the events organised by the chamber, and to tell us how we can better support your business. It is your success that helps drive the commercial relationship between the UK and Japan, and that success is the lifeblood of our chamber. 🇬🇧



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STOP DESTROYING YOUR BUSINESS

Careers are cut off at the knees and businesses destroyed when people problems are allowed to fester. Getting the people part right is not just fundamental, it is critical in any business. Ironically, we are all taught to believe that “hard skills”—our technical expertise—is the main requirement for success. The reality is that if the people skills part is not working well, no amount of technical expertise will compensate for the damage being done to the business. Poor, mediocre or uninspiring leadership is easy to spot. However, there are other types of problematic leadership which are not so immediately obvious, but which must be fixed.

Smart, capable people get promoted and are given responsibility for others. This is usually because they have demonstrated a mastery of the “hard skills” areas of the business. The challenging part is that often these admirable and highly evaluated skills are individual to that person. Those working for them, by definition, do not possess the same capability level. Also, individual expertise may not be replicable or transferable to others. Another additional problem is that having the requisite hard skills is not enough. You can’t do it all yourself and so leaders need to be able to delegate, to leverage the capacity and ability of others. This requires expertise in the soft skills—particularly leadership,



Leadership “cancer” is quietly killing organisations

communication and people skills.

As famous baseball coach Yogi Berra wryly noted, “Leading is easy. Getting people to follow you is the hard part”. The vast majority of companies mention they need more out of their people. They especially look to the leader groups, particularly middle management, to provide this capability. Most often they complain that those responsible for others are not getting sufficient leverage from the whole team and are not producing sufficient outcomes.

Global Research Reveals Surprises

The breakdown occurs when individual technical expertise does not provide enough of what followers want from leaders. Recently, global research was conducted on what drives followers to be loyal, motivated and engaged about their organisations. This research was duplicated in Japan and the three key factors were found to be same:

1. The quality of the relationship with the immediate supervisor
2. The employees belief in the direction the senior leadership were taking the organisation
3. Their sense of pride in working for the organisation

All three pivot points refer to “soft” not “hard” skills. They are indicating issues about communication and people skills. This is often the weak point for technically oriented people. They are often very detail driven, high “task focus” individuals. Communicating with, leading, enthusing and motivating others are expertise areas where they struggle.

If the lynchpin for engagement and motivation hinges on expertise in these areas and those given responsibility for leading are underperforming, then the full potential of the team will never be realised. If the full potential of the people is not being realised (and given people are usually the biggest

expense line in any organisation), the “opportunity cost” is very, very high. This is like a leadership “cancer”, quietly killing the organisation.

Engagement Levels Count

If your competitor has a more engaged team, then the outcomes, the quality of idea generation, teamwork, accountability, coordination, attention to quality, and going the extra mile for the client will be superior. They outperform you in innovation, because they are getting more people to care more. They are inspiring them to want to be an integral and valued part of the improvement process. They will soon be eroding your market share and will ultimately destroy your business.

The four major business skills of leadership, communication, sales and presenting are all soft skills. Hard skills alone are just not going to do it. Companies and individuals who want to succeed need to invest to completely marshal the full power of all their potential—their “people power”.

By the way, don’t talk to anyone about training until you read: *Stop Wasting Money On Training: How To Get the Best Results From Your Training Budget.*

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ONLINE PRESENCE

LinkedIn event highlights many functions of networking platform

BY BRANDI GOODE

On the evening of 16 April, the British Chamber of Commerce in Japan (BCCJ) hosted the fifth session in its Small is Great series, aimed at helping small and medium-sized enterprises grow their businesses.

The event highlighted LinkedIn as a “social networking platform for professionals”. LinkedIn Japan launched just two years ago, both to assist firms in the country make the most of the tool domestically and also to promote users’ expansion abroad.

Speaking at the BCCJ event was Garrell Malacad, global account director of LinkedIn Talent Solutions.

When it comes to leveraging social media, Malacad said, it’s important to examine the context: LinkedIn is for professionals, Facebook is social (“animals and baby pictures”) and Twitter is a general public platform.

As a representative of your business and personal brand, it is important to ensure your LinkedIn profile is at the top of every Google search including your name. Profile photos are essential, according to Malacad, as individuals and businesses that have an image on their profile get six to seven times more views than profiles without pictures.

He also advocates including a robust list of skills on your personal profile, as well as seeking recommendations from people



From left: Graham Davis, Lori Henderson MBE, Garrell Malacad and Brian M. Gregory

in your LinkedIn network, all of which boost your professional credibility. These steps help create a “rich profile”.

Malacad emphasised the power of second-degree connections in professional networks. Though you may not be directly linked to these people or have met them personally, asking a first-degree connection for an introduction exponentially increases your potential collaborator or client base on LinkedIn.

With over 5.5mn searches performed in 2012, the LinkedIn search engine is clearly a powerful tool. Viewing profiles accounts for more than 50% of the site’s traffic. InMaps is another feature that can be harnessed to see a graphic representation of your connections,

grouped by industry or company. Malacad recommends analysing the graph to see where your network is lacking.

Pulse is yet another tool that was introduced relatively recently. It aggregates news from roughly 2mn publications, looking at users’ profiles and matching people with news that would likely interest them.

In addition, LinkedIn Japan has identified eight “influencers” from government and industry, whose stories can be followed online. Malacad and his team realised that business leaders want to tell their story, and that people want to read about how business leaders think. They introduced the influencer programme accordingly, with contributors

- Localisation done for Japan two years ago
- Second-degree connections a valuable pool of contacts
- Eight business leaders participate in influencer programme

such as Prime Minister Shinzo Abe and Hiroshi Mikitani, co-founder of Rakuten, Inc.

One of the advantages of having a company versus a group page for your organisation is that company pages are open to everyone, whereas group content is only visible to members of that group. Company pages also provide a venue for frequent, timely updates and conversations with followers. When your connections like or share a post on your page, their connections see this and may visit your company page for more information. This is how you go viral on LinkedIn.

Malacad suggests asking staff to tag themselves as members of your firm, to expose your brand to employees’ personal networks as well.

He said businesses use LinkedIn for at least one of the following reasons: hiring, marketing or selling. The first area is perhaps the site’s strongest at present, an observation supported by the many questions in the audience posed by recruiters.

Of the candidates online, 80% are passive job seekers, he said. Of those people, 60% will consider an offer or information that seems interesting or personally relevant. 🇯🇵

📌 Follow the BCCJ’s company page on LinkedIn for the latest updates.

Heavy metal

UK bikes, parts and riders challenge Japan

- Heritage of makers attracts Japanese buyers
- D;Rex racing team taking on complacent domestic brands
- Norton Commandos are good city commuting bikes

BY TIM MAUGHAN



Japan's D;Rex racing team operates three Triumph Daytona models.

“Eighty percent of the big-bike market is concentrated in 18 prefectures”.

Picture yourself in the Japanese countryside. You hear the distinct sound of a distant motorcycle. It gets closer. The rider, anonymous in his robot-like helmet, is visible, but only fleetingly: man and machine flitter behind trees and bends in the road.

In full sight, the motorcycle is not, as you expected, made by one of the big four Japanese bike manufacturers—Honda, Yamaha, Suzuki or Kawasaki. It is a Triumph, made in a factory in Hinkley, England. The words

“legend” and “iconic” are over-used these days, but seem to perfectly describe these machines. Triumph: a motorcycle once ridden by stars such as Steve McQueen, Marlon Brando and Bob Dylan.

David Blume, president of Triumph Motorcycles Japan, said the firm was established in the country in 2000. Before that, the bikes were imported on an informal basis. Today, there are 43 Triumph dealers here, but they are not uniformly spread around the country. “Eighty percent of the

big-bike market is concentrated in 18 prefectures, where the people live who have money to spend on their motorcycle hobby”, Blume said.

The Japanese have a keen eye for design, detail and tradition—a combination that this famous 111-year-old British marque has in spades. According to Blume, three types of Triumphs are popular here: the classics, bikes like the Thruxton and Bonneville; the urban sports models, such as the throaty Speed Triple; and the Adventure machines, like the Tiger

To compete, you cannot simply turn up on a racing bike. You need a team, and backing.

series, basically the two-wheeled equivalent of four-wheel drives in the car world.

To import the bikes from such a great distance, and for business to flourish in a sophisticated market like Japan, Blume asserted, you have to ask yourself the right questions: Do you have something that people want to buy in Japan? Do you have a brand or a product that is interesting and can be positioned attractively? Do you have product differentiation that justifies your presence? "If you can fulfil those points, then you have a chance", he said.

Blume spoke of Triumph's heritage, which is a strong selling point in Japan. "The manifestation of [the brand's] successful history is well executed in our modern classic range. Apart from being a product range that sells well, it is an important link to the historic credentials of the brand, and Japan, in general, has respect for that kind of thing", he said.

The typical Triumph owner in Japan is a true motorcycle enthusiast, he added, who respects the engineering behind the British machine, its nuts and bolts. In addition to its bikes' more traditional vertical twin engines, found in the classics and cruisers, the firm also offers a range with hi-tech, three-cylinder engines. Most other big-bike manufacturers, meanwhile, opt for four cylinders.

Speed Racer

Triumph's three-cylinder engine powers some of its best-known models, like the Speed Triple, the Adventure series and the Daytona 675cc. The latter is a thoroughbred race machine, Triumph's equivalent of a jet fighter.

The Daytona is available to buy as a road bike, but it earned its spurs on the racetrack outside Japan. Today, it is the only foreign motorcycle in the Japanese domestic middleweight motorcycle-racing category.

To compete, you cannot simply turn up on a racing bike. You need a team, and backing.

American Jason Fullington has taken on that mission with his D;Rex racing team, which operates three Triumph Daytonas. His racing management career started when he met Hiroshi Toyoda, a professional motorcycle rider, during track days at Tsukuba Circuit, a venue recognised as the testing ground for up-and-coming riders in Japan. Today, Toyoda is D;Rex's chief rider.

"We wanted to run the Triumph in Japan [in a racing capacity] because nobody else was doing it. It is the only internationally made bike that can compete with the Japanese middle-range supersports", Fullington said.

Originally, through his industry contacts, Fullington approached Triumph Motorcycles USA for the bikes. Then, the



The Daytona is Triumph's equivalent of a jet fighter.

communication moved to Triumph in Britain, which in turn contacted Triumph Motorcycles Japan. "Last year, David Blume helped us facilitate two race bikes. We had to pay for them, but it was supported, they weren't full price", he explained.

Fullington said he genuinely loves Triumphs, for their intrinsic qualities, not simply because the firm agreed to help D;Rex.

"The Speed Triple is a superior bike for road riding. When you talk about motorcycling, everything is inherently related to Japanese parts and production, and essentially, this was where big motorcycling was born, through Honda. But when you think of brands outside Japan, one of the first that comes to mind is Triumph, because they have that history".

Professional motorcycle racing is complex, and expensive. Fullington has to think about transport to and from the venues, tyres, oil, motorway tariffs and so on. To help offset the steep



Jason Fullington, D;Rex manager

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- 1 Triumph participated in the 41st Tokyo Motorcycle Show, held on 28–30 March.
- 2 Luke Hall is a rider and an importer of motorcycle exhausts.
- 3 Hall rides a 450cc Suzuki.
- 4 Entry-level racing gear costs around ¥50,000.
- 5 Kawachinagano, south of Osaka, is home to a popular race track.

overheads, he is currently looking for new sponsors.

In 2013, D;Rex took part in four Japanese races. “We generally finished mid-pack,” he reported.

The Daytona chassis is new to the D;Rex team, he said, and it takes time for all personnel to get acquainted with new machines. Triumph, keen to help, flew over its factory team, T3 Racing, from Britain.

“They helped us pinpoint why we weren’t faster than everybody else. It had nothing to do with the performance of the machine and everything to do with suspension. Our sector times [times recorded at intermediate points on a track] were better than [those of] every other bike on the course”.

Now, D;Rex is ready for the 2014 season. Its streamlined Daytonas will be taking on the big four Japanese makers, on their home soil. “One of the reasons I am putting everything into this is because I want to wake the Japanese market up. I love the Japanese makers, but I feel that they have become stagnant in their own front yard,” he said.

Norton: history and aesthetics

Another British motorcycle is currently being imported to Japan. Like Triumph, it is a household name, a company steeped in history and aesthetics: that brand is Norton.

Satoshi Aihara, managing director of Tokyo-based PCI Co., Ltd., is the sole Japanese importer of Nortons. He started bringing them into the country in 2009. Aihara also imports Lotus and Caterham cars.

This calendar year, he will bring 120 Nortons to Japan; 60 machines are already here, and the remainder will enter the market once they are completed at the UK plant.

Machines like Nortons and the Lotus enjoy a rich history. “Japanese people like the heritage, the branding and the styling,” Aihara said.

Norton makes one model range, the Commando, which is available in three versions: the SF, the Café Racer and the Sport. All are 961cc. Like Triumph, they ooze style—they are modern motorcycles with an aura of British understatement. The engine configuration is two-cylinder, inline.

All motorcycles, from all makers, are designed with specific jobs in mind. There are off-road bikes, long distance tourers, racing bikes and so on. Aihara said the Commandos are able to perform a variety of tasks. They have a “sporty” feel but are suitable for daily runs. “They’re comfortable, and even though they’re 961cc, they’re not too big. Commandos are good for the city and make good commuting bikes”.



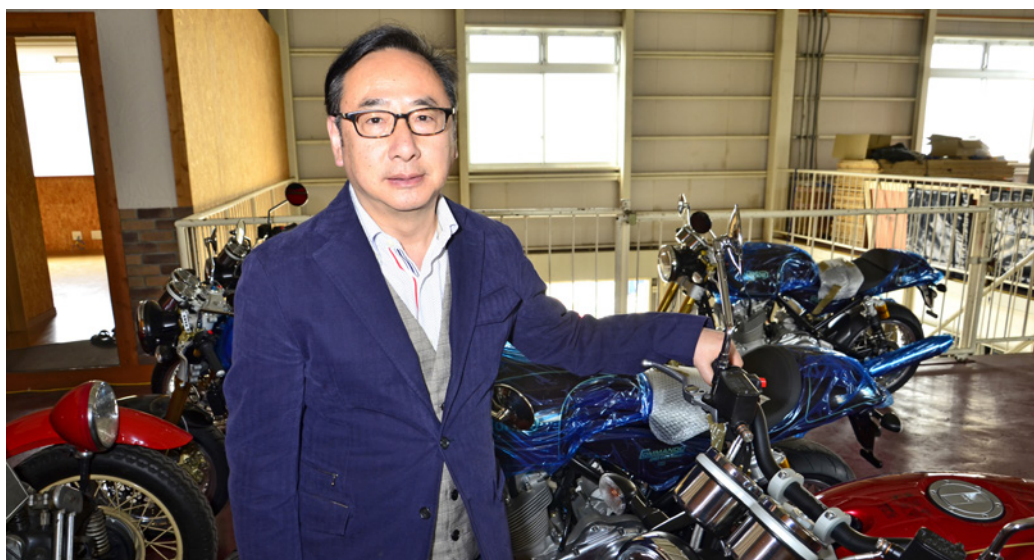


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FT WEEKEND
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“Compared to riding in the UK, when you get to the countryside here, the roads are ... in beautiful condition”.



Satoshi Aihara, managing director of PCI Co., Ltd., is the sole importer of Norton in Japan.

At ¥2.6mn apiece, Nortons are expensive—roughly double the price of a typical bike made by other manufacturers. Aihara pointed out that they are 100% handmade and, despite their vintage appearance, the bikes use modern, advanced components.

As well known as Norton is in the motorcycle world, publicity still plays an important role, especially in a competitive market like Japan. This summer, in conjunction with UK shoe company Clarks, the firm will launch a marketing campaign in Tokyo and Osaka department stores.

Better than driving

The manufacturers produce the machines, but they need people to buy and ride them.

Jules Wigdor is one such fan, and has been motorcycling in Japan for 16 years. His first bike was British, a 125cc BSA (made by the Birmingham Small Arms Company Limited), which he rode off-road in the Scottish Borders as a young boy.

Wigdor now lives in Nishinomiya, part of the Kansai urban sprawl. After a lengthy spell away from the activity, his interest in biking was reignited in Japan. Wigdor uses motorcycles to commute to work and also for recreational rides in the countryside.

“Japan rekindled my passion for bikes. I realised that driving anywhere was so stressful; just a weekend out with the family took hours and hours, stuck in traffic jams. And I thought, what is the point of owning a nice car in this country?”

“Then, I discovered that bikes were cheap to buy secondhand, and they were in good condition, with no rust, because the roads here in Kansai are salt-free in winter.

“Compared to riding in the UK, when you get to the countryside here, the roads are not covered in

any mud. Tractors don’t shed mud on the roads. You can go around a corner in Japan and know that there will be no potholes. The road will be in beautiful condition”, Wigdor said.

Rural off-road motorcycling gives him enormous pleasure. In his words, a compact, all-terrain bike can spirit you away to the wilds in a way cars cannot. “I can go one hour from Nishinomiya, on my bike, and see views that 99% of Japanese people will never have seen, because they will never have been able to get up the track”, he said. 🌸

EXHAUSTING RESOURCES

Luke Hall is a motocross, or off-road, competitive rider originally from Christchurch, Dorset. He is also the Japanese importer of British-made DEP Pipes motorcycle exhausts.

BCCJ ACUMEN visited Hall on a muddy and undulating racetrack in Kawachinagano, south of Osaka.

As he prepared for a race, Hall explained some of the protective clothing needed. Fastening himself into his bike armour and donning

a helmet, he said entry level gear costs some ¥50,000. This includes footwear and protective covers for shoulders, back and knees.

Hall does not ride on public roads, preferring the safety of a designated track. “I like being able to open the throttle up; I like the feeling of power”, he said.

Motocross bikes do not reach high speeds on the curved tracks. A bike like his, a 450cc Suzuki, is capable of 100km/h, but on the

track, speeds of over 60km/h are rarely attained.

It is a physically demanding sport. Riders have to use their legs to stabilise the bikes around the corners; they need to wrestle with the handlebars, change the gears and apply the brakes—in this case, for two gruelling hours.

Hall imports between five and 10 DEP exhausts a month, and can expect to sell 80% of those within four weeks.



Luke Hall

Taste for quality

Foodex brings together top UK vendors and refined local palates

- Japan sales could help offset falling revenue from EU nations
- Traditional British stamp of quality appeals to local buyers
- Small UK firms expanding presence in Japan

BY JULIAN RYALL

First-time British exhibitors at Japan's most important food and drink exhibition picked up a range of tips about doing business in this market—with every single one of them taken aback at the enthusiasm for a taste of the UK.

"This is our first time at Foodex Japan and, I would have to say, we came not expecting too much," said James Buchan, chairman of the Edinburgh-based Scottish Fishermen's Organisation Ltd. (SFO). "We know our product and we know that it is extremely good, but the response here has exceeded our expectations.

"I am very hopeful that I will be going back to Scotland with an order, and if we can do that, then it will be a great day for Japanese customers but an even better one for the Scottish fishing industry".

The organisation represents 200 privately owned Scottish fishing vessels, the majority of which are dedicated to landing langoustine that are widely regarded as among the best in the world. But the economic crisis that has struck parts of Europe—and particularly Spain—has affected sales, so the SFO made the decision to look further afield and try to crack the Japanese market.

Buchan believes it is a good fit because "this is a mature market where Japanese people are willing to pay for a product they know is going to be good quality".

From Wales to the world

The Welsh food industry also had a strong presence at Foodex, with Keith Smyton, the head of the Food Division in the Welsh Government, also emphasising the close fit between artisan-made Welsh products and a market that appreciates quality.

"In my view, Welsh food is the best in the world, and I appreciate that the market for food and drink



PHOTO COURTESY OF FOODEX JAPAN

here is very sophisticated", Smyton told *BCCJ ACUMEN*. "Most Welsh food is crafted by companies that are still family-owned and therefore follow all the stages of production, meaning that they are able to bring the very best tastes to your table".

As many as 150 Welsh firms had expressed an interest in entering the Japanese market, with those that were able to take part in Foodex 2014 (4-7 March) reporting positive results.

"We came as part of a trade mission, primarily to get an appreciation of the market", said Edward Burt, managing director of Burts Biscuits & Cakes Ltd. "I have been flabbergasted by the sheer array of products here, but also with the appreciation of food, for quality and price".

Burt did not anticipate reaching an agreement on his first trip to Japan, but was delighted to sign a deal to provide three varieties of the firm's fruit cakes

“I have been flabbergasted by the sheer array of products here, but also with the appreciation of food, for quality and price”.



Loch Ness cofounder Stephen Crossland



Charles Baughan, managing director, Westaway Sausages Ltd.

to Barakura English Garden in Nagano.

“Once someone tastes the product, they are able to appreciate it, and it fits very well with retailers here”, Burt said. He also met with representatives



James Buchan: Japan is a good fit.

of department stores and buyers’ groups that expressed interest. The Welsh confectioner is considering working with a local distributor to bring its products to Japan.

The Anglesey Sea Salt Co. Ltd. already has a foot in the door of the Japanese market, said director Alison Lea-Wilson, but there are high hopes for a bigger local presence.

On the menu at the wedding of the Duke and Duchess of Cambridge in April 2011, Anglesey Sea Salt has been recognised with the coveted Protected Designation of Origin status, which guarantees that a product is traditionally and entirely prepared, processed and produced within a specific region.

“It really builds consumer trust that something is an authentic product, and Japanese people understand this”, Lea-Wilson said.

Bangers sizzle

The great British sausage was admirably represented at the show by Westaway Sausages Ltd and Charles Baughan, managing director of the Devon-based firm.

“Exports are a long game for us. This is our second year at Foodex and we are getting some tremendous support from Hobgoblin Japan with coming here”, Baughan said.

“Japan is a unique country and it would have been foolish of me to come here and think straight off that I had the right product. But I have learned a lot this time and I think we will reach critical mass next year”, he said.

In Japan, 98% of the sausages sold are pre-cooked, a major difference compared with other markets, and one that Baughan is working to overcome.

The scent of sizzling Cumberland and Lincolnshire bangers attracted a steady stream of visitors to the Westaway stand, although Baughan expressed regret that Japan is not yet ready to resume sales of prime British beef.

Imports were halted in 1996 due to the outbreak of bovine spongiform encephalopathy (BSE), but there had been hopes in the industry, particularly among manufacturers, that the ban would be lifted in the early part of 2013.

“I have been particularly struck by the number of small producers with extremely high quality cheese and dairy products”, said British Ambassador Tim Hitchens.

“I’m also impressed by the small companies that first came three or four years ago and are now seeing their sales rising”, he told *ACUMEN*, picking out the Scottish langoustines, Westaway sausages and the array of real ales being displayed by Loch Ness Brewery.

Stephen Crossland, one of the founding brothers behind the brewery, said, “When we started in 2001, we were a two-barrel brewery, and now we are up to 20, but we have plans to go up to 40 barrels”. Loch Ness’s 4.4% bitter and Hoppyness IPA-style ale were favourites among the Japanese.

“We did think that Loch Ness beer would play well in the American market, but there were too many restrictions there so we decided to take a look at Japan.

“I’ve been very impressed with the country and I think the possibilities for us here are very good, but it’s early days and we want to have more of a conversation with the importers that I have been speaking to this week”, Crossland added.

“It’s important for us to present the brand in the right way, even if that means we go more slowly”.



As many as 150 Welsh firms showed interest in the Japanese market. • FOODEX JAPAN

WAVE OF OPTIMISM

Conference highlights Japan's economic potential and ambitions

CUSTOM MEDIA

Prime Minister Shinzo Abe emphasised the twin issues of trade and security in his keynote address at the Japan Summit 2014, hosted by *The Economist* in mid-April. And, while the immediate focus was on making headway in discussions on the Trans-Pacific Partnership (TPP) agreement, ahead of the state visit by US President Barack Obama, the Japanese leader went out of his way to underline the importance of a similar agreement with Europe.

"I am accelerating negotiations on economic partnership agreements, or EPAs, with our various partners around the world at an entirely different degree of speed than we did in years past," Abe said.

Committing Japan to overcoming "mutual differences" with the US, he said the aim is to "forge a sturdy economic order for Asia and the Pacific in the 21st century".

"We wish to create an unshakable foundation for growth. We will also make all-out efforts towards realising an EPA with the EU," the prime minister added. "On the one hand, we have the TPP, and on the other we have the EPA between Japan and the EU. The realisation of these two agreements means the advent of a truly immense market.

"What will emerge is a free and open, as well as highly advanced



Prime Minister Shinzo Abe has high hopes for a trade agreement with the EU.

and integrated market—a single, enormous growth engine that will benefit the entire globe and kick life into the economy," he said.

The prime minister detailed a range of measures he is

implementing to boost the domestic economy, including the introduction of corporate tax cuts, efforts to increase the representation of women in the workforce and making it easier

"[Abe's] popularity and his ability to stay in office depend on his economic policies, so they have to work."

- TPP and other trade pacts a focus of discussion
- Prime minister must take on vested interests to drive growth
- Exporting Japan's "soft power" a key strategy

for foreign workers to come to Japan.

"I think there is a lot of optimism in Japan right now," Gerald Curtis, a professor at Columbia University, commented after Abe's speech. "The country is getting out of deflation and Mr Abe has set a vision for the economy that is much more positive".

There are caveats to this optimism, he agreed, including overcoming the bureaucracy and vested interests in a number of business sectors, and standing up to nay-sayers in Abe's own Liberal Democratic Party.

"I hope he understands that he has to make some tough decisions and only then will we be able to see changes," Curtis said. "His popularity and his ability to stay in office depend on his economic policies, so they have to work".

A key to achieving better overall economic figures will be increasing exports in new sectors, primarily "soft power" products and services. This includes everything from film to cuisine, anime, computer games and "cosplay" (dressing up as characters from popular anime or film series), and it is in this opportunity area that Japan can take a leaf out of Britain's book.

"I lived in Europe for a couple of decades and, going back many years, European countries have differentiated their brands and

“We must also construct an economy and society in which people can take on challenges without a fear of failure”



The summit was a sold-out event, with more than 220 attendees.

products based on their national identities rather than just on the product,” said Ken Okuyama, founder and managing director of Ken Okuyama Design.

“In Italy and the UK, for example, national culture is a big differentiator,” Okuyama said. “In Japan, we have never had to think like that because before there was no-one who was able to compete with our products and services.

“Now there are a lot of Asian countries that have similar products, but that cost less than half the price,” he added. “We have to learn how to use our national identity for the first time”.

Cool Japan

A good degree of the responsibility for exploiting this sector falls to Tomomi Inada, the minister tasked with carrying out regulatory and administrative reforms, as well as promoting “Cool Japan” and the Challenge Japan Initiative.

In her address to the conference, Inada—who, at the Tokyo International Conference on African Development in May 2013 had worn a Gothic Lolita-style outfit (emphasising dark makeup and Victorian fashion) to promote Cool Japan—said that there is also a need to alter corporate mindsets in Japan.

“We have to change the regulations that hinder the start up of new companies, but we must also construct an economy and

society in which people can take on challenges without a fear of failure”, Inada said, pointing to her experiences in Silicon Valley, where the failure of a company is seen as a valuable learning experience.

“In Japan, we tend to be afraid of failure. Young people tend to be inward looking and want the stable life associated with working for a big company”, she added.

Inada also said Japan lacks the entrepreneurs needed to exploit the technology and know-how that exists and is being further developed here.

That thought was echoed by Takashi Mitachi, the managing director of Japan operations for the Boston Consulting Group, who suggested, “We need to see a cultural change”.

“During the bubble era, there were many who believed that anyone who stuck out in business would be punished by everyone else in society”, Mitachi said. “We have to learn to applaud and praise those who take risks”.

There is huge interest in many ideas for products and services that emerge from Japan; Inada cited as

an example the enthusiasm seen overseas for heated toilet seats. She also said her ministry’s efforts are moving into a second phase of promoting Japan.

“Interest in Japan has never been as high as it is now”, she said. “And that is a legacy of the efforts of previous generations. We will have to add new things to Japanese traditional products to improve our brand power, to attract new eyes to Japan and to show ourselves to the rest of the world”.

One of the beauties of Japanese soft power is that it has numerous potential markets, Inada added.

“We do not have to decide on one sole market, as there is the potential to sell Japanese goods, ideas, images and so on anywhere”, she said. “We have not been trying to appeal to the outside world enough before now, so this is our opportunity”.

Summing up her impressions of the day’s discussions, Tamzin Booth, head of the Tokyo bureau of *The Economist*, said she had been struck by the “ambitiousness of the prime minister’s agenda”.

“That includes immigration, the overhaul of the Government Pension Investment Fund and the changing environment for entrepreneurs”, Booth said. “There seems to be an amazing commitment to getting things done and I find myself much more optimistic now.” 🇯🇵



Minister Tomomi Inada “walks the walk” of promoting unique Japanese products.



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BRIDGE TO 2020

Nihombashi Revitalisation Plan aims to revive former hub of Tokyo

BY JULIAN RYALL

Every major city in the world has its iconic bridge. London, of course, is graced by Tower Bridge, Sydney has the Harbour Bridge, and for San Francisco it is the Golden Gate.

Tokyo has its own bridge of graceful design and historic importance—only it is invariably overlooked because it is completely in the shadow of an ugly and overpowering elevated motorway.

But the residents and businesspeople of Nihombashi believe the time has come to put their bridge—and their district—back in the spotlight.

“Nihombashi Bridge is very symbolic as it is considered the centre of Japan, because all road distances to major cities have been measured from this point since Tokyo was known as Edo,” said Toshihiro Mochizuki, leader of the office leasing department at major real estate developer Mitsui Fudosan Co., Ltd.

“The motorway was built for the first time that Tokyo hosted the Olympics Games, in 1964, and the planners chose a route that went above the rivers and roads because it was difficult to secure land back then,” Mochizuki said.

“And at that time, people did not really worry too much about what it was doing to the look of the city, because the first priority was still to secure the development of the city and economic growth.”

“Nihombashi Bridge is very symbolic as it is considered the centre of Japan, because all road distances to major cities have been measured from this point since Tokyo was known as Edo.”

Attitudes have changed dramatically since then and there is a growing sense that a wrong inflicted on Tokyo’s skyline should be corrected before the city hosts the next Olympic and Paralympic Games, in 2020.

The proposal to dismantle the fly-over and bury it out of sight underground attracted the support of former Prime Minister Junichiro Koizumi, although his comments in 2005 were met with reservations by the governor of Tokyo and the transport minister, primarily on the grounds of cost.

With the city’s infrastructure being scrutinised ahead of 2020, supporters of the broader Nihombashi Revitalisation Plan say this is the perfect time to replace an eyesore with an attraction.

“The plan was started by Mitsui Fudosan and many local companies and businesses about 10 years ago after a famous department store in the area closed. We and our local partners noticed that there had been a shift in shoppers’ preferred destinations,” Mochizuki said.

“There is Ginza, of course, but younger people are now spending their money in Shibuya, Shinjuku and Omotesando.”

To inject new life into Nihombashi, Mitsui—which can trace its corporate roots back to the day, in 1673, when Takatoshi Mitsui opened his kimono shop—has teamed up with local businesses large and small, including the Mitsukoshi department store and Mandarin Oriental Hotel.

“This area has been Mitsui’s home for more than 300 years. It was the heart of the city 100 years before then, and we want to recapture that,” said Mochizuki.

On the east side of Chuo Dori, Mitsui has already completed the Coredo projects of retail, office and residential facilities, which are designed to mesh with the more low-rise backstreets that are the traditional sites of small businesses and artisans.

The district already benefits from the Mitsui Memorial Museum, a new Toho Cinemas complex, the Nihombashi Mitsui

- Idea put forth to bury fly-over obstructing iconic bridge
- Mitsui Fudosan organising campaign to restore district
- Creation of communities at the heart of new plan

Hall and a revitalised Fukutoku Shrine, which has been residents’ place of worship for more than a thousand years.

Much more remains to be done, although the firms and individuals behind the regeneration plan have ambitious aims.

Outlining those plans in a corporate statement, Masanobu Komoda, president and CEO of Mitsui Fudosan, said the company is committed to creating neighbourhoods based on three principles.

“The first is to integrate diverse functions and features, which involves promoting mixed use and integrating the tangible, such as building facilities, and the intangible, or building operations,” Komoda said.

“The second is to create communities, which involves connecting the people who reside, gather or visit,” he said. “And the third is [to design] neighbourhoods that mature with age.

“We believe that a virtuous cycle of the above three will lead to the creation of new value,” he added.

Redevelopment projects are giving Nihombashi a new lease of life, but the sign that the district has truly recovered its glory days will come when that famous bridge emerges from the shadow of the past. 🌸

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RESPECT AND FEAR NOT

James Perachio advises on achieving success as a foreign firm in Japan



As Intelligence Global Search (IGS) enters its third fiscal year, the recruiting specialist is completely focused on growth and expansion. Even though IGS is part of the Japan-based Intelligence Group, its 40-plus team members in Tokyo have successfully built their own brand as an independent, foreign-style recruitment firm. Having the support of Intelligence, while at the same time enjoying the freedom to grow the IGS brand independently, is what separates the firm's operations from those of its competitors.

How do merger and acquisition (M&A) activities affect your business?

As a whole, M&As affect almost every aspect of recruitment—both in positive and negative ways.

For example, if market rumours suggest a company may be bought out, most job hunters will avoid that firm out of fear that any job there will be unstable.

Likewise, for companies that are openly shopping for an acquisition to, let's say, bolster one area of their business, a feeling of uneasiness can persist among staff. This is because once the acquisition is complete, there will also be a "merger" of ideas and visions.

Additionally, the purchased company is likely to lose a considerable portion of their workforce—due to redundancy or

voluntary resignations reflecting fear of working for the new entity.

Also, once an acquisition has been finalised, the transition may require new hires, such as back office, human resources and finance specialists. However, for the most part, all hiring will be put on hold, which could spell disaster for a recruitment firm that has invested countless hours with respective clients.

Lastly, the investment bank that managed the deal will get a considerable fee and publicity—meaning that if that deal was sufficiently sexy and public, you'll get quite a few young investment bankers looking to join that bank.

Should a Japanese firm fear being bought out by a foreign company?

I don't think such a scenario would be any different from that of a Japanese firm buying out a foreign competitor. There are risks in all

M&A deals, regardless of borders.

In any merger or acquisition, there will inevitably be unhappy parties, redundancies, and some hardship.

However, there are also endless possibilities in terms of sharing ideas and information, pooling profits and revenue, as well as expanding sales networks—which essentially fuels everything else.

of the developed world, such as the number of women in senior management positions.

Another traditional aspect of Japanese business culture that remains prevalent is respect. This virtue is valued almost as highly as experience and skills. You are almost always expected to respect the current systems. To attempt to change anything within them takes a lot of time and energy.

You are also expected to respect those people who have been in the industry longer than you; this *senpai* (senior) versus *kouhai* (junior) mentality remains prevalent in Japanese business culture.

As a foreign firm with a Japanese parent, what have been your struggles?

IGS has had an amazing two years in terms of growth, challenges and successes. And through everything, we have been blessed with the unwavering support of a management team that completely understands the complexity of the Japanese market and has been incredibly helpful.

I think most of us had fears about entering Japanese firms, given that stereotypically, they were too rigid, structured and hierarchical. However, this simply doesn't apply to Intelligence. Our management's understanding and encouragement has been vital to our success here. 🇯🇵

There are risks in all M&A deals, regardless of borders.

—James Perachio, operations manager

What advice would you give a foreign firm coming to Japan through an M&A?

Respect. Simply put, in Japan you must show and give respect to be successful. Experience, language, motivation and unique products will bring success in most countries, but these things don't guarantee a win here.

While this country is at the forefront of technology, has a world-leading economy, and boasts top-tier manufacturing firms, there are still a few facets of society that lag behind the rest



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FERTILE FIELD

Government-business relations have evolved significantly in the past 20 years

- Involves reaching out to a broad cross-section of influencers
- Policymaking process has opened up to foreigners
- An essential element of any business strategy in Japan

CUSTOM MEDIA

This year, Asia Strategy celebrates 20 years of assisting corporations to navigate the policymaking process, with founder Keith Henry having witnessed a true transformation in his field of expertise—government-business relations. Henry came to Japan in 1984, lured by this nation's incredible promise, as illustrated in Ezra Vogel's *Japan as Number One* and Chalmers Johnson's *MITI and the Japanese Miracle*.

BCCJACUMEN: What does government-business relations encompass?

Henry: We analyse the intersection of business, politics and policy with the aim of improving our clients' competitive position in Japan. We do this by engaging in business research that identifies the policy positions of other firms, analyses the policy debate in political and government circles and assesses how the private and public sectors create regulations that impact the competitive infrastructure of our clients' markets. With this research, we provide senior executives with a strategic plan of action so they can more effectively advocate their interests in policy debates and anticipate and prepare for debate outcomes.

What are the common pitfalls in your industry?

Japan's consensus-based, bottom-

The real challenge now is to strategically choose what debates to join and how best to participate.

up policymaking process means that an effective government relations programme must include not only politicians and bureaucrats, but also a broad cross-section of key opinion leaders and stakeholders from relevant trade and business associations, academia, consumer groups and think tanks. Reflecting this broad approach, Japanese firms refer to staff who engage in government relations activities as *shogaikatsudo* (external affairs) specialists, supported by external relations departments or divisions.

How has this field evolved since the 1980s?

Twenty-five years ago, when I began work as a secretary to a prominent Liberal Democratic Party member of the Diet, most senior executives of foreign-based firms saw the business-government relationship as a black box best not to open. Matters pertaining to policymakers were commonly seen as "trade issues" best left to the government official responsible for ironing out such disputes with Japan.

Since then I have seen a positive change. Today almost all multinational firms with a significant stake in Japan

recognise a government relations programme is integral to their corporate strategy. At the same time, the policymaking process and relations among politicians, bureaucrats and private-sector leaders have become more transparent and open to input from the foreign business community. While before, foreign firms had to fight simply to get a seat at the table, the real challenge now is to strategically choose what debates to join and how best to participate. This is where our firm steps in to assist.

How do government-business relations activities here compare with those in the UK?

In both countries, political appointees want to bring about change through the work of bureaucrats. Bureaucrats have rich institutional memories of policy details and extensive networks within the ministries where they tend to work over a lifetime. Armed with this knowledge, there is an interest in focusing on incremental change and, at times, preservation of ministerial perks and prerogatives.

However, politicians have the power of the purse, as their imprimatur is required to fund

projects drafted by the bureaucrats. Many politicians desire to make a mark for themselves by effecting high-profile policy initiatives, but lack the technical expertise to engage in detailed policy debates. This means that many policy decisions are finalised after a long process of lobbying among bureaucrats and politicians.

In what industries are government relations most important?

Any industry that is impacted by public policy. Our clients come mostly from the pharmaceutical, healthcare, banking and insurance, energy, information and communications technology, transportation and logistics, and consumer retail sectors.

How has Asia Strategy been involved with M&As?

To date we have been involved in four multi-billion dollar acquisitions in the consumer retail, high technology, energy and insurance sectors. Our experience has been that those firms that succeed in winning over a broad cross-section of stakeholders through the implementation of a strategic external relations effort—including government relations—are the ones that not only succeed in their acquisitions, but that are also better positioned to manage their newly acquired business in Japan. 🇯🇵

ANTI-BRIBERY AND CORRUPTION CONSIDERATIONS IN M&A

BY HANA ARIGA SHAVER
ERNST & YOUNG SHINNIHON LLC (EY)

Despite recent geopolitical shocks, continued low growth in mature markets, and slowing growth in the BRIC (Brazil, Russia, India and China) territories, many people believe the global economy has turned for the better.

Sixty percent of executives think the global economy is improving, according to a report released by EY in April 2014. Confidence in corporate earnings is high, and stock market stability is showing similar conviction. The spread of “hot” locations globally—the top five investment destinations are the US, the UK, Germany, India and China, followed by Brazil, Ireland, Japan, Singapore and the UAE—shows that positive market signs are not concentrated in any one region.

Unethical behaviour persists

Companies contemplating merger and acquisition (M&A) deals will usually perform due diligence, including that of an operational, financial, tax and legal nature. These tasks help determine if synergies exist, evaluate the business proposed as an acquisition or merger partner, and contemplate the subsequent merger integration and management of the acquired business.

Anti-corruption due diligence, however, is viewed by some as a “check-the-box” exercise, despite

the fact that more than 50% of respondents from emerging markets surveyed in EY’s *13th Global Fraud Survey*, released in May 2014, said that corruption was widespread.

Anti-corruption due diligence performed at the 11th hour may be rushed and insufficient, giving rise to risks later. It is thus worrying that under 30% of businesses are always or very frequently conducting anti-corruption due diligence in their M&A process.

Approach

The primary reasons to perform anti-corruption due diligence are to assist management in identifying potential anti-corruption risks; avoid inheriting liabilities and overpaying for businesses built on corruption; and assess the target company’s anti-corruption compliance framework. Through this process, management will also be able to develop a robust anti-corruption compliance programme to address corruption risks specific to the target and smoothly integrate the target company.

Stages to the typical transaction timeline include (1) strategic and pre-transaction planning, (2) due diligence activities, (3) negotiation and execution, and (4) post-close undertakings. Anti-corruption due diligence typically follows a four-phase approach, aligned with the transaction timeline.

The first stage generally involves anti-corruption risk assessments, comprising background searches, high-level procedures including potential interviews to evaluate general and company-specific corruption risk factors, and analysis of the target company’s policies/ procedures to determine the anti-corruption measures in place.

The second stage, anti-corruption due diligence, generally involves interviews with key personnel at the target company, transaction testing, background checks on affiliated companies and senior executives, and electronic data reviews. Forensic data analytics should be used to support the due diligence, as deal-breakers are unlikely to surface through high-level reviews. If red

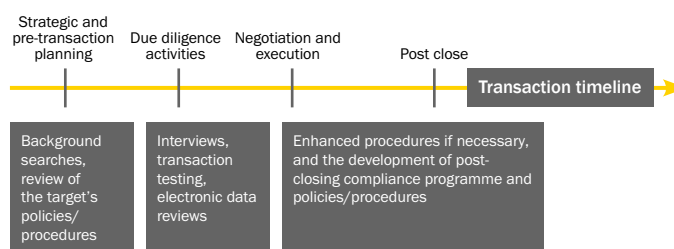
flags are identified, enhanced procedures such as further detailed transaction testing and a deeper analysis of information can be performed.

During the third and fourth stages, the post-closing compliance programme and policies/ procedures may be developed. Additionally, a training programme related to anti-corruption compliance is often developed for a smooth integration.

Benefits

The US Department of Justice and the US Securities and Exchange Commission have demonstrated their shared commitment to fighting corruption in M&As through their vigorous enforcement of the Foreign Corrupt Practices Act (FCPA) and joint release of *A Resource Guide to the U.S. Foreign Corrupt Practices Act*.

The guide underscores the US government’s expectation that pre-acquisition FCPA due diligence should be conducted on deals, and highlights how appropriate FCPA due diligence and post-acquisition compliance efforts can contribute to its decision not to prosecute a successor company for a pre-acquisition violation. Companies embarking on acquisitions should take note, and make anti-corruption due diligence an integral part of their due diligence process. ❖



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COMPLIANCE-RELATED RISKS IN M&A DEALS

- Penalties may be levied if proper analysis is not done
- UK Bribery Act has broad applications across borders
- Particular threat for firms that operate in high-risk countries

BY CATHERINE E. PALMER AND DAISKE YOSHIDA
PARTNERS AT LATHAM & WATKINS

When considering a transaction involving mergers and acquisitions (M&As), analysing compliance-related risks is often the last thing the parties involved in the deal want to do. Most targets are not keen to air their dirty laundry, nor are most acquirers keen to dig up all of the target's affairs.

If preliminary due diligence uncovers potentially significant risks, further investigation could be time-consuming, expensive and disruptive. However, successors and investors could then end up taking on the liabilities of the acquired firm, including its past illegal conduct, which can result in massive fines and criminal penalties. Burying one's head in the sand is never the right solution, and can make the potential exposure much worse.

Burying one's head in the sand is never the right solution, and can make the potential exposure much worse.

Generally, under US law, a successor can end up "buying" the liabilities of the acquired entity, regardless of how the transaction is structured, if (1) there is an explicit or implicit agreement to assume liability; (2) the transaction is a de facto merger; (3) the transaction is a mere continuation of the predecessor's business; or (4) the transaction is a sham designed to evade liability.

In addition, the European Commission has fined parent companies, including private equity owners, for their subsidiaries' anti-competitive

behaviour, based on the doctrine of parental liability. Thus, at the due diligence stage, it is crucial to conduct a detailed review of a target's business to adequately understand these risk areas.

These risks may be especially significant if the target does not deal directly with countries that have strict compliance rules. If the target's business is primarily in countries where the enforcement of such laws is lax or selective, acquiring such an entity may pose significant risks for an acquirer with substantial ties to countries like the US or the UK. Even in

sophisticated Japanese firms, internal controls and governance structures that would be expected in Anglo-American firms are often lacking, especially if they do not have significant operations outside Asia.

If major issues are discovered during due diligence, or even after the initial closing but before the final price has been set, it may be possible to address the risk through the deal structure or other means.

However, compliance issues are sometimes uncovered only after the deal is concluded and the business has been transferred. Accordingly, after the transaction is complete, it is often good practice to conduct an overall risk assessment as part of the new operation's compliance programme, in order to identify and deal with risks quickly. ❗

MAJOR COMPLIANCE-RELATED RISKS INCLUDE THE FOLLOWING:

- **Antitrust/Competition:** Violations of antitrust and competition laws, such as fixing prices or allocating markets, or (in some jurisdictions) certain types of information exchanges among competitors, have resulted in massive fines levied by government authorities around the world. In many jurisdictions, including the UK, the US and Japan, such conduct can also result in criminal prosecutions of individuals.
- **Bribery/Corruption:** Bribery of public officials is a significant risk area, particularly if there is a possibility that conduct may run afoul of the US Foreign Corrupt Practices Act or the UK Bribery Act. The US government has been particularly aggressive in pursuing non-US (including British and Japanese) firms involved in bribery of foreign public officials, resulting in hundreds of millions of dollars in fines. The UK Bribery Act also has broad applicability. In addition, accounting irregularities may be red flags for improper payments.
- **Embargo/Export control:** The US government imposes strict restrictions on commercial activities involving countries such as Iran, Cuba and now Russia, which can also apply to non-US firms. Violations of such restrictions can result in substantial penalties, including fines and debarment from government contracts.

MARKET INSIGHT



BY JULIAN RYALL

Last year, the BCCJ partnered with UK Trade & Investment to help launch the Export to Japan website. The site provides trusted information and services to help UK firms succeed in Japan. In this column we will feature excerpts from articles on the portal. We hope the content will provide guidance for new market entrants and also serve as inspiration for continued success among established businesses in Japan.

BEWARE OF CORPORATE LAWS

Japan benefits from an equitable legal framework, although experts warn that in many cases laws are not precise, leaving the details to be filled in by regulations and with discretion up to the administering bureaucrats. The precision that is seen in English documentation is also frequently absent.

The nature and size of a business may mean that greater focus is placed on specific Japanese laws—such as those related to intellectual property. The areas of managing employees and dealing with Japanese counterparts, however, are relevant for all types of businesses.

The cheapest and easiest way to enter the Japanese market is through the creation of a representative office, branch or Japanese company. If a company is required, the most commonly used body is a Japanese joint stock entity, known as a *kabushiki kaisha*, or KK for short.

“A KK, as a Japanese legal entity, may be more acceptable as a counterparty to, for example, Japanese landlords, than a representative office or branch of a foreign entity”, said Ben Harding, of Freshfields Bruckhaus Deringer.

In comparison, a joint venture or the acquisition of an existing Japanese business will take far longer to negotiate and cost more, Harding explained.

When it comes to staffing issues, there are still a few peculiarities of the landscape here that need to be borne in mind.

“The main point of difference to the UK is that there are greater restrictions on terminating the

employment of permanent members of staff, who cannot be dismissed without ‘reasonable grounds’, in spite of termination provisions in the employment agreement.

“The prudent manager ensures that suitable probationary periods are designated for new staff, during which the dismissal of an employee is easier if they do not perform satisfactorily, despite appropriate

training and warnings”, he said.

“Despite old wives’ tales to the contrary, written agreements are almost always used in Japan, although they are likely to be shorter than in the UK.

“Japanese courts are less likely to interpret written agreements literally and tend to view a written agreement as only part of the wider commercial relationship”, Harding added.

GET WISE TO GLOBAL JINZAI

Hiroshi Mikitani, the founder and CEO of online commerce giant Rakuten, Inc., stunned corporate Japan by announcing, in February 2010, that English was to become the firm’s official in-house language.

From day one, Mikitani told a recent press conference, his vision was to become a world leader in the online sales sector. And of all the problems he faced, the language barrier was by far the most formidable.

The imperative is not only for his own company.

“The Japanese economy and our GDP need this”, said Mikitani, pointing out that Japan accounted for 12% of the global economy in 2006, although that is expected to

have shrunk to 8% in 2020 and a mere 3% by 2050.

Rakuten is busy hiring non-Japanese staff, who already make up 30% of its employees.

The new-found demand for language skills offers plenty of opportunities for specialist UK firms.

Pearson PLC has already cracked the market with its Versant computer and telephone-based learning system, while Britain’s Open University has teamed up with local firm NetLearning, Inc., to offer its online MBA courses in English in Japan.

There is also a growing understanding among Japanese firms that another huge asset is being under-utilised: female staff.

The government has set a target of women accounting for 30% of managers at Japanese firms within the next five years, with Prime Minister Shinzo Abe underlining the importance of the drive by making the promotion of women one of the key elements of his “three arrows” of economic reform.

And the potential benefits are colossal, analysts suggest.

Research by Kathy Matsui, head economist at Goldman Sachs in Tokyo, indicates that if the female labour participation rate rises from 62%, where it stands at present, to equal the 80% rate among men, there would be an improvement in the national GDP of as much as 15%. 🇯🇵

THE FULL VERSION OF THESE ARTICLES CAN BE VIEWED ONLINE AT WWW.EXPORTTOJAPAN.CO.UK.

HELPING UK COMPANIES SUCCEED IN JAPAN

FINANCIAL SERVICES HIRING GOING STRONG

Interview with John McCrohon

ROBERT WALTERS

Having majored in Business and Japan Studies at Griffith University, Australia, John McCrohon started his recruiting career with Robert Walters in Tokyo. He relocated to Osaka in October 2007, to oversee the launch of our Osaka office. In early 2010, he returned to Tokyo, and took up his current responsibilities, which include leading the Financial Services Division, in addition to supervising human resources and legal, compliance and risk functions within the company.

What are the trends in hiring for the Financial Services market?

Positive market sentiment fuelled by Abenomics, currency deflation and structural reforms have contributed to an increase in hiring across all aspects of financial services.

While the majority of new staff recruited in 2013 were replacement hires, we have seen employers looking to take advantage of rising profits to add new headcount to their teams, a trend largely unseen since the Lehman Shock in 2008.

Clients are more willing to hire, and improved confidence has been shown among candidates, as demonstrated by job seekers' willingness to consider changing companies. This has resulted in an increasingly competitive hiring environment across all financial institutions. Hiring strategies remain focused on securing bilingual specialists with three or more years of experience in their field of expertise.

Can you explain the main areas of your recruitment coverage?

Our division covers all roles across the entire Financial Services market, including front, middle and back office functions. We specialise

in placing bilingual professionals in positions of all levels of seniority, from junior analyst to managing director positions.

What skill shortages exist for Financial Services positions? Which skills are most in demand?

While we have seen a steady rise in the demand for bilingual specialists across front, middle and back office functions, demand has not been consistent across all functional areas.

A continuing emphasis on regulatory reforms within Japan has driven hiring demand for bilingual internal audit and compliance specialists, particularly in the surveillance and trading advisory functions. HR in-house recruiting specialists, HR business partners, and in-house payroll specialists are also highly sought after.

In addition, we have seen a rise in demand for credit risk specialists and junior bilingual candidates across middle-office positions, especially for professionals skilled in derivatives operations.

How is this demand specific to Japan?

While many other recruiting markets outside Japan are predominantly client-focused, the market in Japan is very much candidate-driven.

With a limited supply of bilingual specialised staff and an increase in the number of open roles, as the market becomes more buoyant, we are seeing increased competition between financial institutions vying for the same skilled candidates.

The most coveted candidates are often receiving multiple job offers. Companies are focusing on streamlining their recruitment processes in order to secure the top talent for their firms.



John McCrohon, director of Financial Services

What makes Robert Walters unique in recruitment for Financial Services positions?

Robert Walters has been a key player in the recruitment market for Financial Services for over 14 years. We have an intimate understanding of our clients' needs, derived from our long-term client relationships established throughout our history in Japan. We also have a comprehensive and well-maintained database of bilingual candidates. These assets, combined with our up-to-date market knowledge, allow us to provide a timely, specialised and professional service to both candidates and clients.

Our proactive approach to headhunting combined with our global presence provide us with access to a large and diverse pool of bilingual candidates. In addition, our team-based approach and specialised consultants allow us to provide an unparalleled quality of service to both our clients and candidates.

Like a lot of our clients, we focus on diversity in the workplace. Currently there are over 25 nationalities working at our Japan office. We have established a unique working environment of professional, motivated consultants committed to continuing to build upon the Robert Walters brand of excellence. 🇯🇵

www.robertwalters.co.jp
03-4570-1500

Memory lane for motors

Rally pays tribute to classic marques, friendship pact and Meiji travellers

BY SIMON FARRELL • PHOTOS: WILLIAM PENRICE



DRIVERS, START YOUR ENGINES:
Ambassador Tim Hitchens waves off a
stunning 1910 Rolls-Royce Silver Ghost.
BRITISH EMBASSY TOKYO



Insured for \$35mn but valued at up to \$200mn, the first Rolls-Royce Silver Ghost, built in 1907, is considered the most expensive car in the world.

Fondly remembered for their quirky designs, innovation and oil leaks, many antique, vintage and modern-classic cars are much sought after by eccentrics, investors and Anglophiles in Japan. This seems ironic, given that in many ways Japan helped to both destroy and modernise the UK car industry.

In tribute to this special relationship, on 14–15 March about 40 preserved or renovated British classics of many sizes, ages and types gathered for the inaugural Great British (GB) Rally in Tokyo.

Ambassador Tim Hitchens CMG LVO told *BCCJ ACUMEN*, “It was a pleasure to wave the starting flag for this year’s GB Rally at the British Embassy Tokyo and great to see so many British classic cars here, displaying timeless British designs that have not lost any of their charm among Japanese audiences”.

He said it was no coincidence that so many of the recognisable cars from the classic era were made in Britain, owing to the UK’s long and prestigious association with the automobile industry.

Traffic stopped, commuters gawked and a curious crowd gathered to see off the convoy on its two-day road trip through Izu, Hakone, Shonan and Oiso-machi in Kanagawa Prefecture. The auto parade’s last stop was Tokyo Station.

In the year of the 160th anniversary of the Anglo-Japanese Friendship Treaty, explained an organiser, the circular route had been carefully planned to feature favourite spots for British travellers in the Meiji era.

“It’s from this history that the UK has earned its continued leadership in automobile innovation, design and manufacturing—today a globally recognised leadership that continues to attract other manufacturers to base themselves in the UK and forge major industry partnerships, most notably those between the UK and Japan,” said the ambassador. 🇬🇧



1



2

JAGUAR: FOUR GENERATIONS

1 FAT CAT

Prime examples of this very rare 1937 Jaguar SS100 go for staggering sums.

2 CAN'T ARGUE WITH THAT

Enzo Ferrari called the Jaguar E-Type (also known as the XK-E) "the most beautiful car ever made"; *Sports Car International* named it the Top Sports Car of the 1960s, and *The Daily Telegraph* ranked it the "most beautiful car of all time". This one was made in 1965.

3 WOMEN DRIVERS

This wood-framed, aluminium-panelled, 1954 Jaguar XK120 was built in Coventry, the firm's spiritual home.

4 YOU'RE NICKED

With room for five bank robbers, Jaguar's Mark 2 was also favoured by motorway police and the *Inspector Morse* series; the 3.8-litre version could reach 200kph.



4



3



MILLION-DOLLAR MARQUE
Bentley's first car was a 3-litre made in 1919, with the oldest existing model recently having sold for \$1mn; this one dates from 1924.

SIZE DOESN'T MATTER
This 137cm x 104cm Peel minicar, capable of reaching 48kph, is made on the Isle of Man and is the world's smallest production car.



>>



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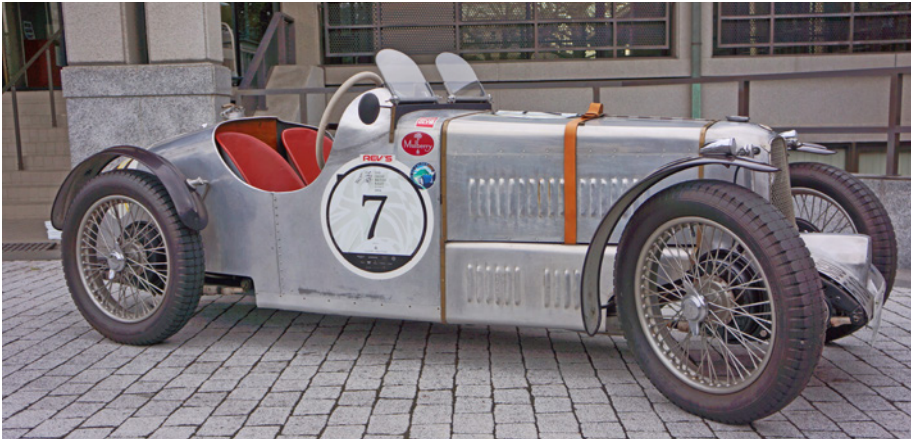
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FAIR-WEATHER FRIEND
MG TAs were made with a solid ash frame at Oxfordshire, like this 1937 model.



FEW LEFT
Hand-built in 1968 at Buckinghamshire, only about 30 Fairthorpe TX-Ss were made, most powered by the nifty Triumph GT6.



SWINGING SUBFRAMES
One of the first Morris Mini Mokes, built in 1964.



UNI WHAT?
Based on the BMC Mini, the Unipower GT specialist sports car was made in Middlesex until 1970. The engine is well placed to warm your hands when pushing.



NO INTRODUCTION NEEDED
Top-of-the-range Mini Cooper 1300S (1967).

>>

“The finest clothing made is a person's skin, but, of course, society demands something more than this”. — Mark Twain



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Trousers from \$130 (¥13,500)

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1, 2 FOR THE MID-LIFE CRISIS
The super-light Lotus Elite and Lotus Elan S3/SE FHC

3, 4 NEVER REALLY TOOK OFF
This 1954 aerodynamic Lotus Mark VIII designed by airplane engineers features a "spaceframe" chassis with modified MG 1,500cc running gear.

5 NO NEED TO SELL THE SPORTS CAR, DAD
Lotus Elan Estate



WRITE-OFF
Ford's high-performance Lotus-Cortina, such as this 1964 model valued by the owner at ¥6-7mn, went like stink. It is very rare today, because many got wrapped around lampposts by boy racers.



MY GRANDFATHER HAD ONE
Often last for style and speed was the "sensible" Morris 1100, a best-selling but rust-prone 1960s-1970s economical family car by British Leyland.

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MIXED PROGRESS

EBC Automobile Committee working to facilitate car imports

BY ANTHONY MILLINGTON

Abenomics has been a mixed blessing for European automobile importers. Increasing consumer confidence and the wealth effect of higher stock prices have boosted sales of European cars. This has created new opportunities for premium British brands.

In 2013, sales by European Business Council (EBC) Automobile Committee members rose 17% to 265,000 units, while the market as a whole was flat. In anticipation of the increase in the consumption tax rate from 5% to 8% on 1 April, sales rose a strong 35% in the first quarter of 2014 to 85,000 units.

The depreciation of the yen resulting from the Bank of Japan's ultra-loose monetary policy has, however, worsened the terms of trade for European automobile importers. In euro terms, the increased revenue from higher sales has barely been sufficient to offset the impact of the adverse movement in the euro-yen exchange rate.

The government of Prime Minister Shinzo Abe has pledged to revitalise the Japanese economy through structural reform and deregulation, but this does not yet extend to the automobile industry.

The non-tariff barriers to European imports, many of which were identified in the scoping exercise that preceded the launch

The non-tariff barriers to European imports ... continue to add to the cost of doing business in Japan for European importers.

of negotiations on a free trade agreement (FTA), continue to add to the cost of doing business in Japan for European importers of both passenger cars and commercial vehicles.

Now, 12 months after the start of the EU-Japan FTA negotiations, the European Commission is undertaking a review of Japan's implementation of its commitment—given in the scoping exercise—to eliminate non-tariff barriers, in particular those relating to the car sector. The EBC Automobile Committee's assessment shows that Japan has indeed made progress in most, but not all, areas covered by the scoping exercise.

Progress has been mixed in the two areas of greatest interest to European car importers:

- **Harmonisation with UN Regulations**

The harmonisation of technical standards and certification procedures between the EU and Japan based on the mutual adoption of UN Regulations remains a top priority for European passenger car and commercial vehicle importers.

Spurred on by the approaching deadline for the implementation of the first phase of an International Whole Vehicle Type Approval System in March 2016, Japan has accelerated its adoption of UN Regulations in those areas where it does not accept a UN certificate as demonstrating compliance with Japan's type approval requirements. However, further progress is required.

- **Kei cars**

Kei, or mini, cars are a category of small vehicles unique to Japan. Such vehicles are restricted to a maximum length of 3.4m, a width of 1.48m, a height of 2m and an engine displacement of 660cc and below. *Kei* cars benefit from lower automobile-related taxes, reduced automobile liability insurance fees and lower motorway tolls. They are also subject to less stringent overnight parking requirements.

No foreign model, including the BMW Mini, qualifies for *kei* car

- European car importers in Japan saw sales rise 17% in 2013
- Non-tariff barriers remain a focal issue in negotiations
- No foreign models qualify for *kei* car designation

designation, an artificial construct of the Japanese regulatory system. The EBC Automobile Committee welcomes the first tentative steps that Japan has taken to align the taxation of *kei* cars and sub-compact cars. But much more needs to be done to allow European sub-compact cars to compete on equal terms with *kei* cars.

Until the privileged fiscal and regulatory treatment of *kei* cars is removed, 40% of the Japanese passenger car market will remain ring-fenced from foreign competition.

During the first year, the negotiations with Japan have understandably focused on those non-tariff barriers identified in the scoping exercise conclusions. We recognise that this list was never intended to be definitive. If the FTA negotiations continue, European car and commercial vehicle importers consider it imperative that the EU should introduce into the negotiations the elimination of other non-tariff barriers.

This will be essential to achieving the ultimate objective of the FTA negotiations—that a vehicle manufactured and type approved in the EU will be accepted in Japan without modification or further testing. 🇯🇵

ARTS

UK EVENTS IN JAPAN

COMPILED BY
KANA SHIMOYOSHI

1 20-28 MAY

Viola Space 2014 vol. 23 British Viola Music

A recital is being held to introduce high-quality viola music to audiences young and old. This year's programme will feature the music of English violist Lionel Tertis CBE (1876-1975) and Scottish violist William Primrose CBE (1904-82).

Photo: Antoine Tamestit, French violist
©JOSE LAVEZZI

20-21 May: Nagoya
22-23 May: Osaka

24-28 May: Tokyo
Ueno Gakuen
(Ishibashi Memorial Hall)
4-24-12 Higashi-Ueno
Taito-ku, Tokyo
Various show times
Adults: from ¥2,000 (Tokyo shows)
» http://tvumd.com/program/detail/?event_code=violaspace&program_id=this_time
03-6418-8617

◉ **Free tickets**
We are giving away two pairs of tickets for the 26 May concert; email by 21 May to apply.

2 20 MAY-8 JUNE

The Big Fella

English playwright Richard Bean was the original author of *The Big Fella*, which is about the men who carried out special missions for the Irish Republican Army in New York between 1972 and 2001. Performed in Japanese.

PHOTO: JUNJI ISHIGURO

Setagaya Public Theatre

4-1-1 Taishiodo
Setagaya-ku, Tokyo
Various show times
Adults: from ¥5,500
» http://setagaya-pt.jp/theater_info/2014/05/the_big_fellah.html
03-5432-1515

◉ **Free tickets**
We are giving away three full programmes for the play.

3 UNTIL 30 MAY

Romeo and Juliet

During its 41st visit to Japan, the International Theatre Company London is presenting William Shakespeare's classic love story. The play includes Renaissance music and songs, performed live or recorded especially for the production on historical instruments. Subtitled in Japanese.

28 May: 7pm
Yokohama Country & Athletic Club
11-1 Yaguchidai
Naka-ku, Yokohama, Kanagawa

30 May: 6:45pm
Musashino Kokaido (Purple Hall)
1-6-22 Kichijoji Minamicho
Musashino-shi, Tokyo
Adults: ¥5,500
» www.stageplay.jp/en/performances/201404_romeo_and_juliet/index.html
080-9403-1613

◉ **Free tickets**
We are giving away five pairs of tickets to either show; email by 22 May to apply.



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◦ To apply for free tickets or gifts, please send an email with your name, address and telephone number by 31 May (unless otherwise stated) to: coordinator@custom-media.com. Winners will be picked at random.

**4
12-15 JUNE**

The Prince of the Pagodas
The National Ballet of Japan premiered this work in 2011. Drawing inspiration from Japanese culture and art, Artistic Director David Bintley has reworked the phantasmal grand ballet to music commissioned from Benjamin Britten. This will be England-born Bintley's last production in Japan.

PHOTO BY HIDEMI SETO



5

New National Theatre, Tokyo
1-1-1 Honmachi
Shibuya-ku, Tokyo
12 June: 7pm
13, 15 June: 2pm
14 June: 2pm & 7pm
Adults: from ¥3,240
» www.nntt.jac.go.jp/performance_en/ballet/140612.html
03-5352-9999



6

**5
04-15 JUNE**

Scattered
Motionhouse is a dance theatre company based in Royal Leamington Spa, England. It was founded in 1988 by husband and wife team Louise Richards and Kevin Finnan. *Scattered* is the troupe's 18th original show, which combines its trademark highly physical dance moves and mesmerising aerial imagery with film and graphics.

Roppongi Blue Theater

5-11-12 Roppongi
Minato-ku, Tokyo
13 June: 7:30pm
14, 15 June: 12pm, 6pm
Adults: from ¥5,800
» <http://motionhouse.jp/>
0570-550-799

◦ **Free tickets**
We are giving away one pair of tickets to the 6pm show on 15 June.

**6
UNTIL 29 JUNE**

Will Happiness Find Me?
Ten artists' works will be on display from the Ishikawa Collection, Okuyama. The multi-media pieces attempt to communicate concepts that are often easily missed in our daily lives. Works by UK artists Ryan Gander and Liam Gillick will be among those exhibited.

MAGNUS OPUS, 2013 ©RYAN GANDER
COURTESY OF TARO NASU
PHOTO BY MARTIN ARGYROGLO

Tokyo Opera City Art Gallery

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Shinjuku-ku, Tokyo
11am-7pm (until 8pm Fridays and Saturdays): closed Mondays
Adults: ¥1,000
» www.operacity.jp/ag/exh163/
03-5353-0756

◦ **Free tickets**
We are giving away five pairs of tickets to this event.



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1 | BCCJ EVENT

Attending the annual general meeting on 23 April at the Shangri-La Hotel, Tokyo were (from left): Alison Jambert, former BCCJ president; David Bickle, newly elected BCCJ president; and Lori Henderson MBE, BCCJ executive director.

2 | BCCJ/IJCC EVENT

Dean Rogers, of Loudmouth & Krank Golf Japan (left) received a prize from Ambassador of Ireland to Japan John Neary, at the joint BCCJ and Ireland Japan Chamber of Commerce Spring Golf Challenge, held on 26 April at Tsutsujigaoka Country Club.

3 | VISIT

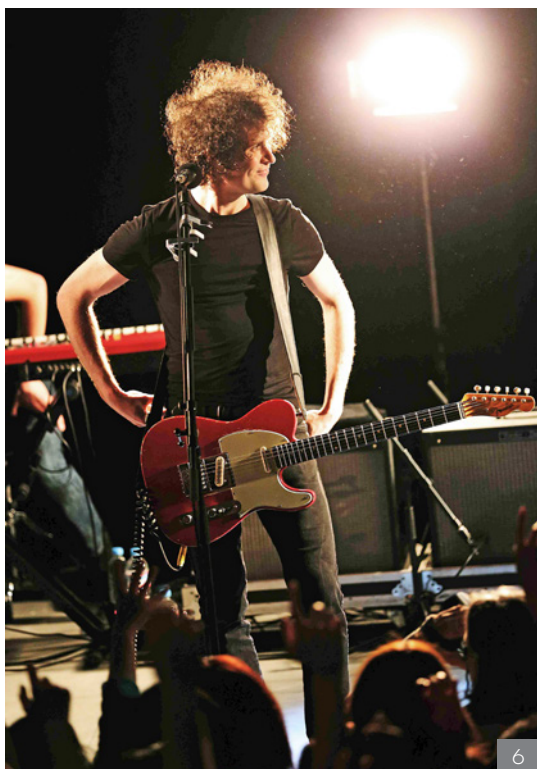
British Ambassador to Japan Tim Hitchens CMG LVO (left) visited GSK Japan's Okinawa Customer Care Center on 7 April. A phone operator dressed in traditional costume (centre) and Philippe Fauchet, president and representative director of GSK Japan, also attended the event.

4 | WORKSHOP

The British Council worked with the BBC Symphony Orchestra to organise the Family Orchestra workshop at the Tokyo International Forum on 29 March.

5 | SUMMIT

Moderating *The Economist's* Japan Summit 2014 on 17 April were *Economist* staff (from left): Dominic Ziegler, Asia editor; Tamzin Booth, Tokyo bureau chief; and Andrew Staples, director, Japan.



6 | MUSIC

Scottish band The Fratellis played at Duo Music Exchange in Shibuya on 28 March.

Photo by hachi

7 | PARTY

Tin whistle player Yuko Shoji (left) performed traditional Japanese and British music with Hiroshi Hatanai at the Japan-British Society Junior Group’s “Yozakura Party” on 4 April, at the British Embassy Tokyo.

Photo by Yusuke Fujimoto

8 | ART

Artist Kate Thomson participated in *Postcards From Japan—A Message From Tohoku Artists*, including works by 22 artists from the Tohoku region. The exhibition was held at the University of Stirling until the end of April.

9 | FOOD

Celebrity chef Gary Rhodes (centre) was invited by VisitBritain for a promotion at the Shangri-La Hotel, Tokyo. Also attending welcome drinks on 19 April were (from left): Lee Adams, pastry chef at Rhodes Restaurant Group; Guy Perryman, DJ; Wayne Tappersfield, executive chef at Rhodes Restaurant Group; and Tomoko Hisaki of VisitBritain.

A NECESSARY VACCINE?

Who needs to be immunised against Japanese encephalitis

BY DR TOM LOMAX

Between 1993 and 1995, I spent two years in Japan teaching English. Before moving, I dutifully went to see my general practitioner in the UK to ask about travel vaccines. The news was mostly good; for many infections that were and still are endemic in the rest of Asia—such as hepatitis—Japan was listed as “low risk” and vaccines were not required.

However, when the nurse who was advising me reached the section on Japanese encephalitis, she looked a little uncertain and read it out to me: “Vaccination only required for those living close to both rice and pig farms”.

We decided that I could skip the shot. Shortly thereafter, I was installed in my apartment on the edge of a small town in Yamagata Prefecture, surrounded by rice paddies.

Just after moving, the nurse’s travel advice came flooding back to me when, on taking a walk in my neighbourhood, I discovered that some low-rise sheds visible from my kitchen window in fact belonged to a pig farm. This gave rise to some anxiety as to whether I had made the right choice in not getting vaccinated.

As a doctor now practicing in Japan, I am frequently asked about Japanese encephalitis. Concerned parents usually come by after receiving a request for their children to be immunised on the



■ Countries and areas at risk for Japanese encephalitis

Japanese vaccination schedule. For pre-school children, this includes three shots, the cost of which is covered by the ward office.

Typically I’m asked whether this is a necessary vaccine and what are the chances that a child or adult will get infected while living here. Few foreigners who have moved to Japan have been vaccinated, as most travel health services regard the country as a low-risk area for the disease.

It turns out that I need not have worried back in 1993. Japanese encephalitis is extremely rare in

the Tohoku region and non-existent further north in Hokkaido. Only rare, sporadic cases—with a higher frequency in the southern and western parts of Japan—are reported.

The disease is largely seen in rural areas, as it is a virus spread from animals (mostly pigs and wading birds) to humans by mosquitoes. This means it often crops up during the rainy season in the summertime. It is very rarely reported in cities, even in other Asian countries, where the virus is still a significant health concern.

It is very rarely reported in cities, even in other Asian countries, where the virus is still a significant health concern.

- Virus spread from animals to humans by mosquitoes
- No infections recorded in Tokyo since 1990
- More common in other parts of Asia, particularly in rural areas

In Tokyo, the last fatality was reported in 1969 and no infections have been recorded since 1990.

The majority of people who contract this virus experience only a mild fever or no symptoms at all. However, for reasons not yet understood, a small minority of people who are infected develop severe encephalitis, or infection of the brain, which is fatal in up to 20% of cases and causes permanent neurological damage in up to a third of survivors. At present there is no treatment other than supportive care in hospital.

So, taking all of this into account, I would recommend that anyone who is going to live or spend an extended period of time in rural Japan be vaccinated, particularly for areas west and south of Tokyo. This applies to entire families, not just children who are invited to have the routine vaccine offered by the Japanese government.

Although named Japanese encephalitis, because it was first isolated in Japan in 1935, this form of the condition is much more common in parts of Asia outside Japan. This means that those Japan residents who frequently travel in the region may also need to be immunised. However, for anyone living exclusively in Tokyo for a brief period and travelling only sporadically, the risk of infection is so small that vaccination isn’t required. 🇯🇵

DEATH PENALTY: FOR AND AGAINST



National stance on executions requires serious review

BY IAN DE STAINS OBE

Iwao Hakamada is 78 years old. A former professional boxer, he was recently released from the Tokyo Detention House after spending almost 50 years behind bars. For more than 30 of those years he was under sentence of death, accused and found guilty of robbery, murder and arson.

His release came after the presiding judge in the Shizuoka District Court ruled that new DNA evidence suggested “the possibility of his innocence [had] become clear to a respectable degree”. The judge also indicated that investigators might have forged the evidence. The court suspended the death sentence.

Conditions in Japan’s prisons are harsh—they are intended to be penal after all—and for those on death row they are even harsher. Solitary confinement and with very restricted visiting rights must be hard enough to bear, but there is worse.

When the death sentence is passed and confirmed after appeal, no date is given for the execution. The convicted are given only a few hours notice that the sentence is to be carried out, and their families are told only after the event. Imagine waking up every day wondering if it will be your last.

Statistics as of the end of 2012 suggest that the average amount of time between final sentencing and execution in Japan was almost six years. Hakamada lived with that

dark shadow for much longer than that, and he did so knowing that his conviction was false.

There are many recorded reports of people confessing to crimes they did not in fact commit. The Japanese authorities boast of an alarming—and surely implausible—99% conviction rate. Suspects are routinely detained and interrogated, without charges being made, for up to 23 days, a period that may be extended several times on application to the court—and applications are rarely denied.

Though there is a legal right to representation by counsel, the authorities are under no obligation to ensure that such counsel is present during interrogations.

For someone to be coerced into confessing to a crime they did not commit and be imprisoned on that basis is in itself a terrifying travesty of justice. How much more repellent it is if the accused is then sentenced to death. Once that sentence is carried out there is no turning back.

Only a few days before Hakamada’s release, British Ambassador Tim Hitchens CMG LVO spoke at a symposium hosted by the Japan Federation of Bar Associations. He expressed concern over Japan’s use of the death penalty and suggested a broader and more informed debate was needed.

This is surely even more important now that the system of

lay judges has been introduced. How can anyone make an informed decision of such magnitude if they are unaware of the intricacies? And so much surrounding the issue of the death penalty in Japan is shrouded in secrecy.

The authorities are quick to point out that public opinion polls here show an overwhelming level of support for the death penalty where the crime is “heinous”. But critics counter that such polls are worded in such a way as to weight the outcome in favour of a yes vote. Anyone with even a basic understanding of analytics knows that the way in which a question is asked can influence the way it is answered, and independent researchers have found that there is far less support for the death penalty than the official polls suggest.

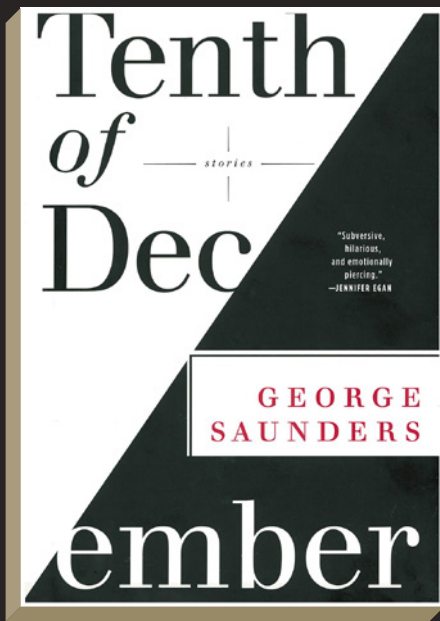
Amnesty International has been a fierce critic of Japan’s position, pointing out that there is no evidence whatsoever that the death penalty is a deterrent.

The United Nations and other international bodies have also called for at least a moratorium, and even the Japanese Federation of Bar Associations calls for its abolition. Meanwhile, more than 130 people remain in solitary confinement not knowing whether tomorrow will be the day they must take their final steps to the gallows. 🇯🇵



The Japanese authorities boast of an alarming 99% conviction rate.

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Nothing short of genius

Collection of short stories elicits range of human emotions

Many people with ambitions to write fiction fall into the trap of believing the easiest way to break into the genre is by writing a short story. After all, turning in a manuscript of 3,000 words has to be a lot easier than submitting a novel, right?

Wrong. Short fiction, at its best, is both a test of a writer's skill and a demonstration of his or her ability to deploy that skill. All of the components that go into a fine novel—such as characterisation, dramatisation, nuances in plot, background, tension and resolution—are also needed in successful short fiction, in addition to other elements. It is also true that the shorter the story, the more skilful the writer needs to be in order to work these elements to his or her advantage.

These are tough times for writers of fiction. Few books, however well written, make any money to speak of; the JK Rowlings of this world are the outstanding exception, and the dreadful stuff turned out in Jeffrey Archer's name no doubt sells on the former politician's notoriety as opposed to any literary skill. The odd magazine outlet aside, the short story appears to have fallen from favour.

So it is a welcome surprise to discover a new collection from someone who is hailed as a master of the genre. George Saunders—a teacher in the writers' programme at Syracuse University in the US—has recently published *Tenth of December*, a collection described as "subversive, hilarious, and emotionally piercing".

In March, Saunders was named the inaugural winner of Britain's

newest literary award, the Folio Prize, worth £40,000.

His collection demonstrates—if there was ever any doubt at all—that he is one of the most original writers of this generation. He is a satirist, a humourist, and a portraitist of tremendous compassion. In a matter of but a few pages, he can make the reader laugh out loud and then wonder what there is to laugh about. And he manages to create characters that stay with you, which is a tribute, I think, to the way Saunders portrays the deep humanity of his characters.

That, of course, speaks to his own empathy as much as to his ability to voice not only what is good about humanity, but also the doubts surrounding it. He is not afraid to have the characters he creates question our assumptions, and he often does so with wry humour.

The Folio Prize was founded by Andrew Kidd, the managing director of UK literary agency Aitken Alexander Associates. Its introduction is seen as a reaction to the recent mounting criticism of the Man-Booker Prize.

Always controversial, the richest of the UK's literary awards has historically been open only to those from the Commonwealth, the Republic of Ireland and Zimbabwe who write in English and are published in the UK. From 2014, however, the Man-Booker Prize will be open to anyone writing in English from anywhere in the world. Critics say this changes the nature of the award entirely and will open the floodgates to writers from the US. 🇺🇸

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