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October 2016

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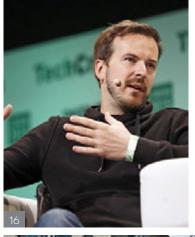
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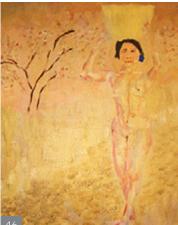




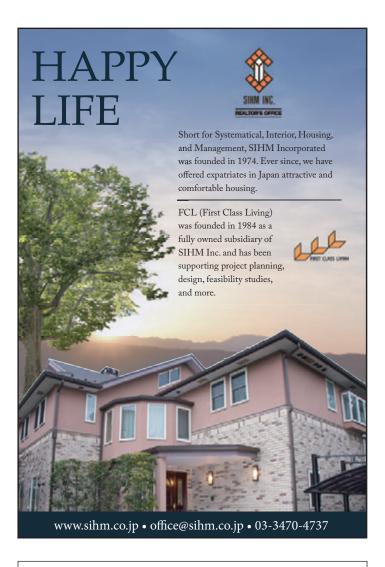












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The British Chamber of Commerce in Japan

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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.

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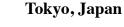




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Shift up a gear

Busy month in UK-Japan ties

CHRIS RUSSELL | christopher@custom-media.com

ith the summer holiday season now very much behind us, the world of UK-Japan business is back in full swing. That is reflected in the issue before you, with articles ranging across trade, real estate, history, charitable work and more. And as we look ahead to the remaining few months of the year, there is yet more to come.

The clock is ticking

Preparations for the upcoming British Business Awards (BBA) continue apace, but it's still not too late for members of the UK-Japan community to get involved.

Nominations remain open until 5pm on 28 October, and for those thinking about putting a name forward, this year's judges give some clues to what they are looking for in candidates on page 26. Entrants are sure to come up against stiff competition—as much a problem for the judges making the decisions as the nominees themselves. I wish the best of luck to everyone.

Of course, the BBA wouldn't be what it is without all the members of the community who come together every November. At the time of writing, tickets are still available, although naturally they are going fast. Please don't hesitate to contact the British Chamber of Commerce in Japan (BCCJ) to secure your place for what always proves to be a highlight of the UK-Japan calendar.

Keeping busy

Of course, BBA preparations haven't taken up all of the BCCJ's attentions, and yet again the chamber had a very active calendar of events in September, several of which have been covered in this issue.

One story concerns Taavet Hinrikus and the foreign currency exchange startup he co-founded, TransferWise, which has taken aim at the banks, and is looking to shake up the industry. To mark the launch of the firm's services in Japan, Hinrikus spoke with BCCJ President David Bickle about his background and ambitions—turn to page 16 to find out more.

And on page 34 we give a round up of this year's Community Hub event, where speakers from several firms and non-profit organisations came together to explain how businesses can best implement corporate social responsibility programmes and achieve social goals.

Business as usual

Although a timetable has now been set, Brexit continues to throw up more questions than answers. But that isn't stopping British businesses from knuckling down and continuing to play to their core strengths.

On page 30, president of Lloyd's Japan and BCCJ Executive Committee member Iain Ferguson tells us about his firm's key areas of business, as well as Lloyd's deep history in Japan, with the resulting ties continuing to be reaffirmed to this day.

The automotive sector is another with strong UK-Japan links, and the rhetoric surrounding Brexit's impact on it has gone up a notch since the Japanese government released a letter on the eve of the G20 summit in China detailing the demands of Japanese firms with investments in the UK, of which carmakers comprise a substantial portion. On page 32, we examine just what Brexit might mean for the industry, and also how, with a little ingenuity, British car firms operating in Japan can carve out their own slice of what is one of the largest auto markets in the world. *



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MEDIA

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Rail firm reaches milestone

Hitachi Rail Europe Ltd. hit an employment milestone after the firm brought on board its 1,000th UK employee, the system supplier announced in a 13 September press release.

The employee, Emma Dixon, joined the manufacturing team at the Japanese firm's facility in Newton Aycliffe, County Durham. Meanwhile, the landmark came as Hitachi Rail were celebrating the plant's first anniversary and the 10th since their initial UK office.

Hitachi Rail plans to hire a further 150 people at its Newton Aycliffe plant, and expects its employees in the UK to total 2,000 by 2019.



PHOTO: HITACH RAIL EUROPE LTD

Medical device firm bags order after Tokyo trade visit

Uniplex, a Sheffield-based provider of surgical instruments, has secured its first order from Japan, *Business Quarter* reported on 7 September.

The deal was signed with Muranaka Medical and came after the British firm joined a trade mission to Japan led by national health technology business support organisation Medilink and the Department for International Trade.

The order is for the firm's medical tuning forks, and the market for such devices in Japan is twice that of the UK.

Bristol experts warn volcano may erupt soon

The Sakurajima volcano in Kagoshima Prefecture is due to erupt within 30 years, according to a pioneering report from the University of Bristol and the Sakurajima Volcano Research Center, the BBC reported on 14 September.

The finding came after the team used a new method of calculating and modelling the size of a volcano's reservoir. Currently, magma is being amassed faster than it can be expelled through the volcano's frequent small eruptions.

The volcano's last deadly eruption came in 1914 and killed 58 people.

Jenson Button floats Super GT option



Speaking ahead of the Singapore Grand Prix, the 2009 Formula One champion Jenson Button MBE floated the possibility of competing in Japan's Super GT touring car series next year, *ESPN* reported on 14 September.

The driver is due to take a break from Formula One, although he could still be drafted as a reserve by his current team, McLaren.

McLaren's engine partner is Honda.

Jenson Button has said he might compete in Japan next year.

Welsh-style entry for garden world cup

Tanya Batkin from Knightwick near Worcester will compete for the second consecutive year in the Gardening World Cup in Japan, the *Worcester News* reported on 19 September. She will be joined by two other British contestants, one of whom, Adam Frost, has won Gardeners' World Live and several RHS Chelsea Flower Show awards.

For this year's event, Batkin will create a "balcony garden" inspired by Aberglasney in Wales. Last year, she made a cottage-style garden.

The event is expected to attract more than 80,000 visitors during October.

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RAF to join war games

Four RAF Typhoon jets are to join the first ever UK–Japan Joint Fighter Exercise, the British Embassy Tokyo said in a 16 September press release.

The news came as General Yoshiyuki Sugiyama, chief of staff of the Japan Air Self-Defense Force (JASDF), announced that the exercise would be held from mid-October to early November at the JASDF's Misawa Air Base.

The British and Japanese foreign and defence ministers agreed the exercise in January, and it represents the first time that Japan has hosted an exercise with a country other than the US.

Envoy visits Scotland for trade, tourism talks

A delegation, led by Japanese Ambassador to the UK Koji Tsuruoka, who was appointed earlier this year, has visited Scotland to explore bilateral business links, *The National* reported on 17 September.

The trip included meetings on food, tourism, golf and renewable energy industries, as well as a visit to the Dounreay plant with the Nuclear Decommissioning Authority to review the ongoing process.

Tsuruoka said he had been "very impressed" by the trip.

London boost for Tokyo real estate firm



Mitsui Fudosan is developing a project in White City, London. • PHOTO: MITSUI FUDOSAN

Mitsui Fudosan, a Japanese property developer, is expected to see its operating profit boosted by ¥5 billion in the two years to March 2020 as a result of a project in London, the *Nikkei Asian Review* reported on 16 September.

The redevelopment project, to include offices, a hotel and 432 apartments, will be completed in 2018. More than half of the apartments, which range in price from £700,000 to £7mn, have been sold.

The profit projection is premised on an exchange rate of ¥135/£1.

Brit players come close to upset

Two British badminton players, Tom Wolfenden and Peter Briggs, came close to causing a significant upset at the Yonex Japan Open, Badminton England reported on their website on 16 September.

The two Brits were competing against the two-time world champions, Hendra Setiawan and Mohammad Ahsan from Indonesia. Wolfenden and Briggs came within a point of winning the match, but ultimately lost.

Both British players, along with others from the UK squad, trained alongside their Japanese counterparts while in the country.



PHOTO: BADMINTON PHOTO

Archive solves 1930s art mystery

Details of a famous art collection—owned by the Japanese businessman Kojiro Matsukata and thought lost—have been found in an archive in London, *The Asahi Shimbun* reported on 7 September.

Amassed in Europe and Japan prior to World War II, many of the works in Matsukata's collection were lost in a London warehouse fire in 1939. Speculation regarding exactly what had been lost has been rife ever since.

Works by Edouard Manet and Vincent van Gogh are on the list.

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In the hot seat

Hope to meet you soon

EMMA HICKINBOTHAM

realise Lori Henderson is a very hard act to follow. Taking the reins while she is on maternity leave is a huge honour. Everyone at the British Chamber of Commerce in Japan (BCCJ) and I wish Lori all the best for her new challenge and I don't doubt for a minute that she will make an excellent mum. I am very lucky to have had a handover period with Lori, and have full support from the very efficient BCCJ office team, as well as the 15 Executive Committee members, who I will no doubt be calling upon during my time in the post.

In the thick of it

Already I have learned that life at the BCCJ is something of a whirlwind. We are constantly busy meeting current members, potential members, planning and executing high-value events, and trying to answer all manner of enquiries that come to our door from members and non-members.

Every day is different, and although not all involve meeting David Beckham, as BCCJ staff were able to recently (see page 51), it's safe to say there's never a dull moment! Plenty more exciting plans are in the pipeline; be sure to

keep up to date with current BCCJ happenings on our website and through our social media channels to see the latest news.

BBA planning

It's an exhilarating time of year to be joining the BCCJ; preparations for the British Business Awards (BBA), arguably the highlight of our calendar, are well under way. Every year the awards attract a wide variety of high-calibre candidates, celebrating the best of the UK and Japanese business community, and this year is no exception.

The theme for this year's BBA is DRIVE, and judges will be looking for winners who show competitive drive, and are a driving force for best-practice—driving employee engagement and stakeholder motivation, as well as diversity and inclusion, in the Japan or UK market.

It is my pleasure to serve the BCCJ, its membership and the wider community. The glamorous black tie gala, sponsored for the third consecutive year by Jaguar Land Rover, will feature a five-course Great British-themed menu with matching wines. We have oodles of fabulous prizes kindly donated by our sponsors to give away on the night, as well as top-notch entertainment—it promises to be a fantastic event. There are only a few tickets left, so you still have a chance to be part of the event. Please visit our website to reserve your spot. I look forward to welcoming you all there.

Welcome to Barclays

I am excited to be working with all our members, including Barclays, who we welcome as our newest Platinum member. Barclays join AstraZeneca, BT Japan, GlaxoSmithKline K.K., Jaguar Land Rover Japan, Robert Walters and Standard Life Investments as one of our top-tier members, and we are delighted to welcome them as champions of British business in Japan.

It is my pleasure to serve the BCCJ, its membership and the wider community as interim executive director, and I hope to see as many of you as possible at our upcoming events.



MEDIA

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POLL: HOW SENIORS SPEND TIME AND MONEY

The old adage "You're only as old as you feel" got put to the test recently when the *Nikkei Marketing Journal* ran a front-page story on 19 September to coincide with the Respect for the Aged Day national holiday. To drive its point home, the publication ran a photo of Team JSCA (Japan Senior Cheer Association), a young-atheart troupe of women, the oldest member of which is 73, cavorting in cheerleader costumes and waving white pompoms.

The front-page article ran the results from a survey of 518 men and women between the ages of 65 and 79, which was conducted by Macromil on 31 August-1 September.

When the *Nikkei Marketing Journal* asked subjects how they felt relative to their actual age, 21.4% said they felt their age. In contrast, the largest response, with 33.4%, was that they felt 10 years younger, while 28.8% claimed to feel five years younger than their actual age. Other replies included 15 years younger (6.2%); 20 years younger (5.2%); and 25 years younger (2.1%). Only 2.9% said they feel older than they are. When asked about their greatest concerns or anxieties, 78.2% of respondents said health and illness topped their list.

Queried about their most frequent expenditures, replies included daily living necessities (46.5%); travel (46.5%); recreation and hobbies (34.7%); and buying things for grandchildren (14.3%). A surprisingly high 93.2% owned a computer, 21.4% a smartphone and 16% a tablet computer, with 54.1% saying they shopped via the Internet (while 38.2% had made ticket purchases or reservations online).

Asked what type of retailers they regularly visit, the top response was convenience stores, with 43.6%, followed by department stores, and their delicatessens in particular (30.3%).

This was borne out by a separate survey by 7-Eleven Japan, which found that, as opposed to only 9% in 1989, seniors in 2015 accounted for 33% of all customers. During the same period,



The oldest member of Team Japan Senior Cheer Association is 73. • PHOTO: JAPAN SENIOR CHEERS ASSOCIATION

the percentage of patrons under the age of 20 declined from 27% to 6%.

Early adopters

While much Japan coverage is devoted to its rapidly ageing society, on 21 September the *Tokyo Shimbun* chose to report on the activities of firms and establishments in Kawasaki City's Miyamae Ward. There, 33 firms in and adjacent to the district—including a chiropractor and motorcar dealer—have posted distinctive green stickers that identify them as supporters

of people bringing up babies. Establishments displaying the sticker warmly welcome young mothers pushing a pram, and some, where practical, also provide hot water for warming up bottles of formula.

Aware that Miyamae Ward is home to many young families, a group of 24 volunteers came up with the idea and began calling on businesses and other places to enlist cooperation. Eyes are now on the Miyamae initiative to see if the idea will catch on nationwide.



Some Japanese firms are trying to welcome families.

Retail | Trends | Consumer Surveys | Marketing | Jobs Forecast | Society | Studies

READERS SAY "NO" TO HOSTING HOMESTAYS

With the boom in *minpaku* (homestays), how do you feel about opening up your place as a bed and breakfast? When the *Asahi Shimbun*'s "be between" Internet survey put that question to its readers, it got 1,891 responses. Of those, 91% gave a resounding "No!"

The main reasons, in descending order, were "No room for outsiders", "Worried about the traveller's manners or possibility of an accident"; "Too much work involved in preparing"; and "Getting into the spirit of *omotenashi* (hospitality) seems really demanding".

"No matter how familiar you act towards one another, both host and guest feel anxious", said a 50-year-old woman in Shizuoka. "There are things such as food preferences, wake-up time, using the bath, the type of bedding ... Accommodating strangers is difficult".

When assessing accommodation in general, the highest priorities were given to affordability (with 779 replies); convenient access (334); spaciousness and attractiveness of the room (301); palatability of the cuisine (194); and proximity to sightseeing destinations (133).

Among all respondents, 28% said they saw the increase in *minpaku* stays as a positive thing, while 43% said they saw it as neither a positive nor negative development.

Quite a few respondents related happy memories of their own homestays overseas. A 34-year-old woman in Ibaraki Prefecture recalled how surprised she was when her host handed her a key and said she was free to come and go as she pleased. "They were helpful when I needed something, and weren't overbearing in their hospitality", she said.

RESTAURANTS ADAPT TO PRICE-SAVVY DINERS

The food and beverage industry has been struggling for business. *Nikkei Business* (19 September) noted that up to two or three years ago, restaurants enjoyed a brief "expensive boom", in which the expenditure per customer exceeded that of the previous year. Prices for meat products rose in 2013, but as the Japan Foodservice Association noted: "Although prices were higher, there was an atmosphere in which customers accepted it".

In 2014, beef bowl purveyor Yoshinoya raised its prices on the basic item in two increments, from ¥280 to ¥380. Many businesses timed their price increases to coincide with the consumption tax rising from 5% to 8% in April 2014.

A spokesperson for Nihon KFC Holdings said he was of the impression that the rise of thrift-conscious customers was a response to chains issuing redeemable points to Ponta cardholders with each purchase.
"Products with added value
such as spicy chicken are selling
well. But from the start of this
year, we have noticed a trend
that they've stopped purchasing
additional items on top of ordering
regular items".

Sensing the downswing, more firms have been introducing lower priced items to attract customers. For example, in March 2015 Ringer Hut undercut its already economical Nagasaki *champon* noodles (¥540) with the ¥40 cheaper *mazekaramen*, which has sold twice the anticipated volume and been particularly popular with people in their teens and twenties. The firm's president says he plans to continue offering items for ¥500, the so-called one-coin threshold.

Tadao Kikuchi, chairman and chief executive of Royal Holdings, told *Nikkei Business* he thinks that, during 2015, a change occurred in consumption at restaurants.

Following the adoption, by the government of Prime Minister
Shinzo Abe, of economic policies known as Abenomics, there was an initial period of optimism as members of the post-war baby boom generation, who had received their retirement pensions, spent freely for a brief time. But more recently Kikuchi has noticed a gap between consumer attitudes and restaurant operators that focused on raising the outlay per customer.

And while food service businesses may be facing a labour shortage, they nonetheless want to avoid being labelled a "burakku kigyo"—a "black business", or one that exploits workers.

"Even though the yen has appreciated in value [in recent years], outlays for foodstuffs and other materials have increased," Kikuchi said, adding that, "While we need to hold down personnel costs, it's become difficult to secure workers. So while it will be difficult to see another drop in



Yoshinoya raised its prices in 2014

prices as was the case before, due to deflation, there will be a need to somehow deal with this, by such means as through development and incorporation of innovative technologies".

However, it was not all bad news. Kikuchi said he expects segments for seniors and foreign inbound travellers to continue growing, "We have to calmly keep close watch on the factors that generate consumption trends", he said.

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Strong ties

BCCJ is a hub for collaboration and exchange

DAVID BICKLE | @BCCJ_President

eptember was a good month for British Chamber of Commerce in Japan (BCCJ) member organisations at the forefront of the UK-Japan business relationship. In industry, Rolls Royce consolidated its position as a key supplier to Hitachi Rail Europe with the announcement of new product supply and maintenance contracts. GlaxoSmithKline was named number one in Fortune magazine's 2016 list of firms that are changing the world by doing good. And the University of Oxford has been ranked as the world's best in the Times Higher Education World University Rankings—the first time that this honour has gone to a British academic institution.

Whilst these organisations are among the standard bearers of the UK's contribution to the advancement of global business, society and culture, they are joined by a myriad number of smaller organisations that collectively drive the UK-Japan relationship.

This fact is reflected in the composition of the BCCJ's membership, where the chamber is fortunate to act as a platform for the exchange of views between individual and corporate members that vary greatly in terms of size and business model. In spite of these differences, all members share a common appreciation of the value of interaction, particularly between representatives from different nationalities and backgrounds.

Something for all

As a chamber we seek to facilitate this interaction by bringing people who matter to our members. Our secretariat is well aware that the chamber's broad stakeholder base means that there are some very different perceptions of "who matters", and this is reflected in the wide range of individuals who have exchanged views with, and in some cases provided autographs for, our members!

September highlights included a roundtable session with UK Minister for Asia and the Pacific Alok Sharma, who briefed members on Brexit developments. Star quality was then very much in evidence at the end of September when a number of younger members of the British community were able to meet David Beckham at a charity football match to celebrate the success of Kumamoto Prefecture's youth team.

Between these events, BCCJ members were delighted to be hosted again by our friends from the Ireland Japan Chamber of Commerce (IJCC) at a magnificent networking reception where we were refreshed with a fine selection of Ireland's world-famous food and drink. Collaboration with other national chambers reflects the UK's desire for strong bilateral relations, and we are pleased to be building on this by co-hosting an event on 11 October with the IJCC and the Australian and New Zealand Chamber of Commerce in Japan on the Business of Rugby, to be attended by World Rugby CEO Brett Gosper.

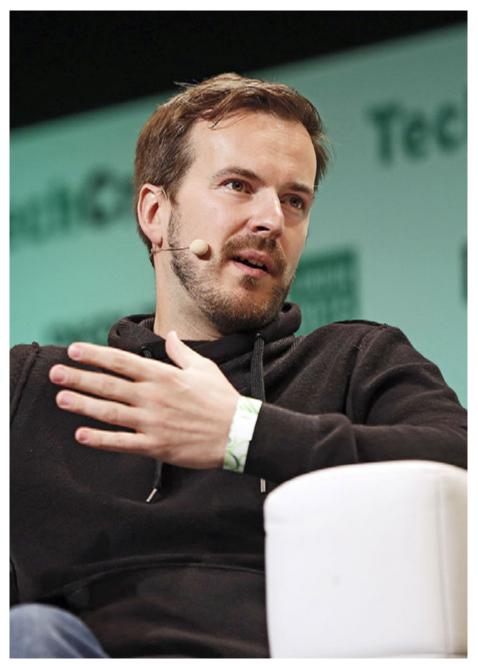
Looking ahead

It's hard to believe that this will be the final issue of *BCCJ ACUMEN* to reach readers before the 2016 British Business Awards, where 300 guests will gather at the Hilton Tokyo on 11 November to celebrate the contribution of leading businesses to UK-Japan relations this year. I look forward to welcoming you there, and to joining you in reflection at the Commonwealth Remembrance Day event at Hodogaya, Yokohama, on the following Sunday.



The money mover

Forex firm's cheap cash transfers arrive in Japan



Taavet Hinrikus has spoken at prestigious industry events such as TechCrunch Disrupt. • PHOTO: TRANSFERWISE

ost of us have to work pretty hard for our cash. Which makes it all the more galling when banks or other financial institutions charge us so much for even the most minor of transactions, such as moving money to an account overseas.

Living in London a decade ago and getting paid in euros, Estonia-born Taavet Hinrikus felt the pain every time his pay cheque arrived with significant deductions. So he set out to solve the problem, for himself and the millions of other people who regularly need to send cash across borders.

"I started work with Skype and moved to London in 2002, and every month I would go to my bank and tell them that I wanted to transfer €1,000 from my account in Estonia, where I was paid, to London", 35-year-old Hinrikus told a British Chamber of Commerce in Japan luncheon at the Shangri-La Hotel Tokyo on 8 September.

That straightforward transfer cost him $\ensuremath{\epsilon} 20$ each time. But there were other catches, he quickly realised.

"It was also taking three or four days to arrive, and I thought to myself, 'Are we really living in the 21st century?'"

Even more frustrating, he said, was the banks' application of a "hidden margin" that meant the $\[\epsilon \]$ 20 fee actually came to $\[\epsilon \]$ 50. In their defence, however, such fees cover, at least in part, risks associated with foreign currency transactions, as well as regulatory costs.

Keeping it local

A chance conversation with Kristo Käärmann, another Estonian expat in London, revealed that he was experiencing the same problem in reverse. Käärmann was being paid in pounds, wanted regularly to send funds back to Estonia, but felt he was being ripped off.

The solution they devised was to avoid costly international transactions. Käärmann

"It quickly became a question of what we could do to make the life of the consumer easier".

simply transferred pounds from his UK bank account to that of Hinrikus, while Hinrikus checked the day's mid-market exchange rate—the rate that banks use when trading currencies with each other—and move the equivalent amount from his Estonian account to that of Käärmann.

"Local transfers are free and fast and we saved a lot of money on the exchange rate", he said.

The next realisation was that tens of thousands of people in London alone—where nearly four in every 10 people are foreignborn—would almost certainly wish to send funds abroad at some point.

"It quickly became a question of what we could do to make the life of the consumer

easier; we knew the problem and just needed to find a way to solve it", Hinrikus said.

In 2011, Hinrikus and Käärmann created TransferWise, which is based on their simple original currency swap, although not all transactions are the result of matches between two consumers with contrasting currency needs. When there are no matches, the firm uses its own money to complete the deal.

Still, the premise was so promising that one of the initial investors was Sir Richard Branson, and the firm has gone on to achieve so-called "unicorn" status—a valuation of more than \$1bn. Today, the firm claims more than 600,000 people transfer some £800mn every month. And in the year to 31 March, revenue hit £28mn, an increase of 187% year on year.

The service uses more than 645 routes and operates in 38 currencies, delivering funds to about 90% of the world's bank accounts. Money can be sent from 36 countries to 55 recipient countries. The US and Australia joined the network in 2015.

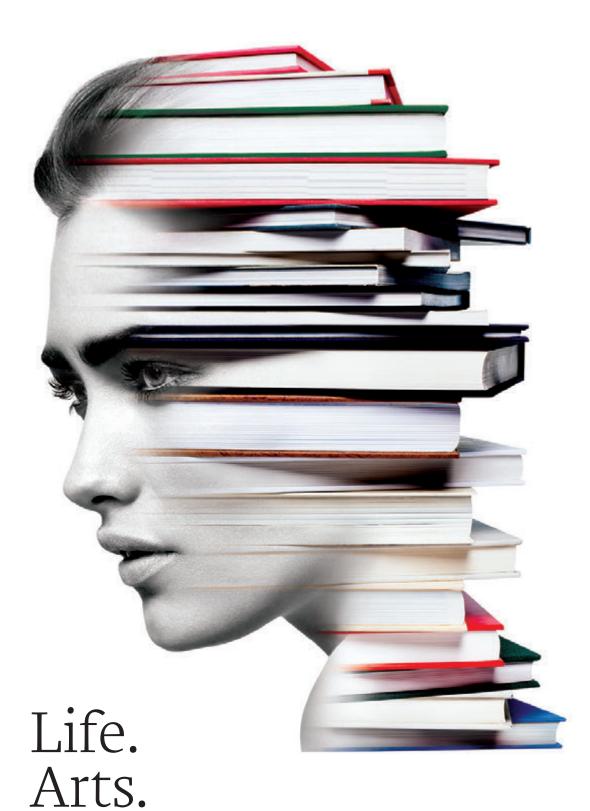
The latest additions—this year—to the firm's network are Canada, Brazil and Japan.

"We started by solving our own problem and focused on sending money between London and Estonia, but we started our global expansion two years ago", Hinrikus said.

"Japan is one of the largest economies in the world, with 1.3mn Japanese living abroad and 2.2mn expats here in Japan", he said. "And banks here are under-developed, under-delivering and over-charging".



TransferWise has become known for its PR stunts in London. In February 2015, the firm held a "bubble bath" to "clean up" banks. • PHOTO: TRANSFERWISE



Read beyond the expected

Culture.



The firm has expanded internationally into countries such as Australia.

PHOTO: TRANSFERWISE



On top of that, Japan is internationalising rapidly and is the fastest-growing tourist destination in Asia. It expects 40mn visitors in 2020, the year Tokyo will host the Olympic and Paralympic Games.

TransferWise charges ¥500 for a transfer of up to ¥50,000 and 1% of the total amount being transferred for transactions above that figure. In comparison, Sumitomo Mitsui Banking charges a flat ¥4,000 fee per transaction as well as ¥2,500 to the recipient bank. Banks also make a commission on advertised exchange rates, with Sumitomo Mitsui, for example, placing a ¥1 surcharge on its daily exchange rate, which costs a customer ¥1 for every dollar that is sent. That figure can be discounted, however, for large sums or corporate customers.

Still, Hinrikus points out that TransferWise charges no commissions on exchange rates and

underlines the fact that the cost is merely 1% of the total amount being transferred.

New territory

The firm has a three-strong team in Japan at the moment, but intends to ramp that up to 10 staff in 2017.

"Every country that we expand into, we have to tackle the local regulations and find a banking partner", Hinrikus said. "The Financial Services Agency here has been relatively straightforward for us because the government is putting a lot of emphasis on fintech now.

"We knew that it was going to be hard and take time to get it right in this new market—but the more interesting [part] is ... marketing and

getting people to trust a new company, convincing people".

And while an aggressive advertising campaign on the London Underground—images of customers sobbing as they emerged from their bank—convinced British people to try out the fledgling firm, Hinrikus believes that viral growth through word-of-mouth recommendations "by people who have been pleasantly surprised with the service" is the best approach for the Japanese market.

TransferWise currently has an 8% share of the British market—impressive for a firm that is only five years old, but a figure that Hinrikus says "is only the beginning". In Japan, he has set a target of 5% of the market within three years.

"That is pretty ambitious", he conceded. "But if you look at our growth in the UK and, more recently, Australia, then I believe it should be achievable".

And in the same way as Skype has revolutionised the way in which we communicate internationally—largely free of charge—Hinrikus believes that TransferWise will have the same impact on the way we bank across borders.

"If we look at the banking industry, we have not seen a lot of innovation since, perhaps, the introduction of ATMs—and that was about 50 years ago", he said. "That means there is a lot that can be done to make retail banking more focused on consumers".

And as more fintech firms encroach on banks' traditional territories, those banks "have to go through the hard process of reinventing themselves and becoming as nimble as the technology companies that they are now competing with," Hinrikus said. #



Taavet Hinrikus spoke with BCCJ President David Bickle at the September event.

Warm welcome for foreign firms

Tokyo in new bid to be Asia business capital

BY ANTHONY FENSOM

okyo Governor Yuriko Koike has a message for foreign multinationals and their highflying executives: the city wants you back. "Tokyo's position in the financial world is declining", the recently elected independent reportedly told Prime Minister Shinzo Abe. "I want to give it a boost by utilizing special zones".

Tokyo has seen its competitiveness lag in recent years, with many foreign multinationals preferring to set up their regional headquarters in Singapore or Hong Kong. Their lower taxes and pro-business regulations have seen them supplant the world's largest and richest city—but there is hope that new incentives, along with international events such as the Tokyo 2020 Olympic and Paralympic Games, might help draw them back.

In an August interview, Koike told the *Nikkei* financial daily that she was ready to make Tokyo "the financial hub of Asia again". She flagged measures including making the city more English-language friendly,

being more accommodating to families with children, improving international schools and implementing a "transparent, reasonably low tax rate". And such moves have precedent.

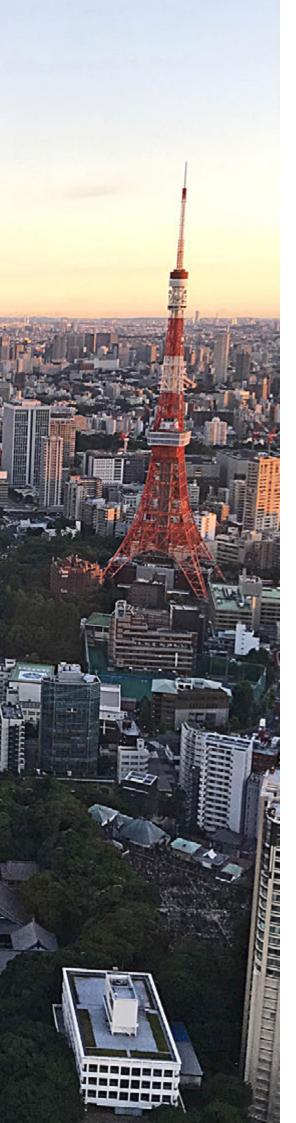
Launched in 2011, the Tokyo Metropolitan Government's Special Zones for Asian Headquarters offers a range of incentives and support for foreign firms establishing operations in five areas. These comprise the northern portion of Tokyo Bay, stretching from Roppongi to Odaiba; Shinjuku Ward; Shibuya Ward; the district between Shinagawa and Tamachi stations; and a vacant site formerly used by Tokyo International Airport Haneda.

The plan is designed to bring in more than 500 foreign firms, of which at least 50 in the special zones are expected to establish regional headquarters there by the end of fiscal 2016. Currently, there are an estimated 2,300 foreign-affiliated firms in Tokyo, a number that may also grow following a programme to increase foreign entrepreneurs that the city introduced in January to encourage more foreign startups.



The Tokyo government is trying to lure foreign firms through special zones. • PHOTO: PEMBROKE REAL ESTATE JAPAN LLC





Nevertheless, Tokyo has its work cut out in matching the efforts of regional rivals.

According to a recent report by real estate firm DTZ/Cushman & Wakefield, Singapore remains the most attractive Asia–Pacific destination for multinationals' regional headquarters due to its economic and regulatory environment, followed by Hong Kong and Shanghai.

The favourable corporate tax rates in these business centres—Singapore's 17% and Hong Kong's 16.5%—are in sharp contrast with Japan's 32.26% although, according to professional services firm KPMG, if reform proposals play out as planned, Japan's corporate tax rate will fall below 30% beginning in 2018. The ease of doing business, according to the World Bank's *Doing Business 2016* report, ranks Singapore in first, Hong Kong in fifth and Japan in 34th place.

That said, Hong Kong has been rated the world's most expensive city in which to rent high-rise office space. It had an average annual office rent of US\$2,998 per square metre in the second quarter of 2016, compared with Tokyo's \$1,609 and London's \$1,227. Meanwhile, Singapore's rate of \$775 is the same as that in Shanghai, according to the "Skyscraper Index" in Knight Frank's September 2016 issue of its *Global Cities*.

In Japan, negative interest rates and the tourism boom have seen commercial land prices rise nationwide for the first time in nine years, although residential land prices still posted a slight decline overall, according to the latest annual report put out by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

Commercial land in the major cities of Tokyo, Osaka and Nagoya rose an average 2.9%, while residential land prices rose 0.4%. In the second quarter of 2016, Tokyo Grade A office space had a vacancy rate of just 1.9%, compared with 4.8% for the same period a year earlier, according to commercial real estate services firm CBRE Japan.

Expat havens

Real estate-related firms surveyed for this article said they had yet to see a surge in British executive arrivals in the wake of Brexit. However, for those who are planning a move, a number of areas have become known as foreigner friendly.

"The majority of expats live in Minato [Ward]—I would estimate over 85%—while Shibuya and Meguro [Wards] are also popular. Due to earthquake safety concerns, the majority prefer newer apartment buildings with up-to-date building safety codes", according to Dennis Muldowney, general manager of relocation firm Crown Worldwide Japan.

Muldowney said his firm had seen a 10% year-on-year rise in the number of expats coming to Japan in 2016. This reflects the expat market's continuing recovery following the Lehman shock of 2008, and the 2011 Great East Japan Earthquake and Tsunami.

"People and companies realised that you still need a presence here—you can't just run away" from the world's third-largest economy, said Martin Fluck, director of operations, North Asia at serviced apartment provider Oakwood.



Relocation firms say they have witnessed an increase in the number of expats coming to Japan. \bullet PHOTO: OAKWOOD



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TOKYO SHINTORA MATSURI

Development of the Shimbashi/
Toranomon area is growing ever more rapidly, and it is a new international urban centre. The TOKYO SHINTORA MATSURI will be the first major event to utilize the space created with the opening of Shintora Avenue between Tokyo's Shimbashi and Toranomon.

With the themes of "Tohoku x Tokyo" and "Tradition x Innovation", the TOKYO SHINTORA MATSURI is a declaration of the attractions of Japanese culture and the recovery of the Tohoku region from the Great East Japan Earthquake.

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With the increase in foreign executives, certain areas look set to benefit given their respective advantages and highlights.

Kenneth Arbour, director of Tokyo Orientations, said the districts of Azabu and Hiro were generally recommended among expats, although families seeking proximity to international schools might prefer other areas.

"Central Tokyo is mainly apartments. Generally, if you want a house, you have to go outside the Yamanote [railway] Line", he said.

Housing Japan's Robin Sakai said neighbourhoods such as Akasaka, Azabu and Roppongi remain popular with expats due to their proximity to major business centres and established international communities—including clubs, schools and shops catering to global tastes.

He said major new property developments had been designed with international businesses in mind, including Mori Building's Toranomon Hills skyscraper complex, and that even more are being planned.

"These developments have renewed several former industrial neighbourhoods and created an atmosphere where foreign clientele are actively welcomed and embraced, whereas historically that may not always have been the case", he said.

Olympic boost?

The 2020 Olympic Games and 2019 Rugby World Cup are expected to prompt another surge in international tourists, with Japan eyeing 40 million foreign visitors by 2020, double the previous government target.

"There is a certain feel-good factor from these major international sporting events that brings a much-needed optimism and attention to Japan", Muldowney said. "Hotels and serviced apartments will see high demand and room prices go up for the events ... and property prices will continue to rise and rents along with them".

Sakai agreed, saying the city "is in a powerful position through the 2020 Olympics and beyond.

"It is still the richest metropolis in the world, it possesses a large and highly talented population, it is home to a number of world-leading companies and its arts are firmly established as cultural leaders across Asia. With foreign involvement with the property market now also being welcomed, all of the groundwork is in place for Tokyo property to be a key pillar of the international real estate market".



Minato Ward is a popular destination for foreign executives. • PHOTO: PEMBROKE REAL ESTATE JAPAN LLC

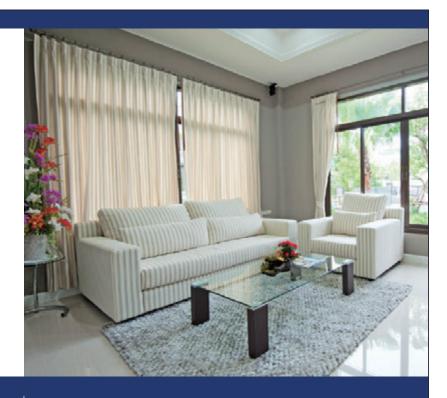


Serviced apartments tend to be the norm within central Tokyo. \bullet PHOTO: OAKWOOD



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LETTER FROM SEOUL

Ex-Tokyo trade envoy compares Japan and South Korea

BY JULIAN RYALL

he may have exchanged Japan for South Korea, but Sue Kinoshita OBE continues to work closely with the British Embassy Tokyo. Particularly when it comes to her former area of expertise: trade and investment.

In August 2015, Kinoshita—deputy head of mission at the British Embassy Seoul and Person of the Year at the British Chamber of Commerce in Japan's 2014 British Business Awards—took up her post in Seoul. There she also acts as minister-counsellor and director of UK Trade & Investment. And while there are plenty of similarities between her new and her previous duties, some of the differences are stark.

"The day after I arrived, two South Korean soldiers trod on landmines while on patrol in the Demilitarised Zone. And, while all the local staff saw that and the subsequent tensions as quite usual, it felt quite uncomfortable to me and some of the newer members of staff here", Kinoshita told *BCCJ ACUMEN* in an interview at the embassy in Seoul.

"In some ways, it is the same as getting acclimatised to the earthquakes in Japan; you do get used to them", she said. "Although people have admitted to me that, this time, the situation with the North feels different; it feels more tense than ever before".

At the time of the interview, troops of a number of nations—including Britain—were taking part in annual joint exercises with the South Korean military. As well as 300,000 South Korean troops, some 17,000 US personnel and members of the Royal Tank Regiment were involved in the largest ever military manoeuvres on the peninsula. North Korea carried out a fourth underground nuclear test in January—since followed by a fifth test in September—and subsequently launched several rockets.



Sue Kinoshita at an event in Seoul, South Korea.

Part of the British Embassy Seoul's job is to report back to London about the security situation on the peninsula, as frequently as every few hours when the cross-border situation is particularly tense, Kinoshita said.

Similar priorities

The other priority of the embassy—which has a staff of 75, of whom 15 provide support from the UK, compared with 125 personnel covering Tokyo and Osaka—is promoting trade and investment, and the proximity of the two capitals makes it common sense for them to work closely together. In fact, a medical trade mission from businesses in northern England was in Seoul at the time of our interview, having spent the first half of the week in Japan.

"I think the hurdles to doing business in South Korea are similar in nature to those in Japan but, perhaps, more intense here," Kinoshita said.

"There are different traditions in business, in the ways that things are done here and some non-tariff barriers", she said. "I don't think they are perhaps intentionally protectionist, it's just different.

"I also think that Korea has more to do on the harmonisation of standards with international

standards, and to nurture small and mediumsized enterprises and startups, although the government is aware of that and has announced plans for deregulation and structural reforms.

"Other than that, I think that doing business in Korea is slightly less predicable than in Japan", she added, explaining that, "The 'discretionary enforcement of regulations' was one of the top challenges identified in a survey of European countries in [South] Korea last year".

One significant advantage that South Korea has over Japan is the Free Trade Agreement (FTA) that was signed with the EU in 2011, with 97% of imports from Europe now tariff-free.

"The agreement has given European companies real price competitiveness in this market and contributed to strong exports from the UK as well", she said.

Auto sector imports from the EU have climbed 62% since the FTA was signed, information and communications technology imports are up 71%, and arrivals of tea, coffee and spices from European nations have soared a remarkable 250%.

And Kinoshita believes that any UK firm doing business in either Japan or South Korea would be able to leverage their experience to gain a foothold in the other market.

"Firms need a similar approach to [both] markets and, if they are successful in one, then they will be able to work in the other", she said. "There are a lot of shared attitudes, from respect for one's elders, and the same importance placed on personal relationships and building trust".

South Koreans, meanwhile, tend to be straighter talkers, which means there is less need to read between the lines. Moreover, they are also faster to make a decision and to put it into action—a bonus to everyone in the fastmoving business world. \$\cdot\text{\text{\$\text{\$\text{\$}}}}\$

What do BBA judges look for?

How this year's experts will identify DRIVE

By Chris Russell



- 1. Eddie Jones
- 2. Rika Beppu
- 3. Arata Oguri
- 4. Rosalind Campion
- 5. Steve Crane









ailing from a range of industries, with backgrounds ranging across trade, sport, law, government and engineering, between them the judges of this year's British Business Awards (BBA) certainly have the breadth of knowledge and experience to assess what is sure to be a tightly contested field. Moreover, a number of the judges are BBA winners themselves—Steve Crane, for example, has collected three separate awards over the years.

With this year's BBA taking DRIVE as its theme, they will need to discern which members and firms of the British Chamber of Commerce in Japan (BCCJ) best exemplify progress and determination, as well as show themselves to be a driving force for best practice in employee engagement, stakeholder motivation, as well as diversity and inclusion in the Japan or UK market. And, with the nominations currently flowing into the BCCJ office yet again being of an extremely high standard, the decision making will be one of the biggest challenges, as the judges themselves admit.

As nominations will close on 30 October, there is still the chance to highlight the achievements and contributions of BCCJ members and

firms over the past 12 months. The six BBA categories are: Company of the Year; Entrepreneur of the Year; UK-Japan Partnership; Community Contribution; Innovation; and Person of the Year.

Winners receive marble trophies designed and hand-sculpted by Kate Thompson of Ukishima Sculpture Studios. And the awards will be presented by British Ambassador Tim Hitchens CMG LVO in his final BBA as the UK's top representative in Japan.

As the BBA judges get ready for the task, $BCCJ\ ACUMEN$ asked them five questions:

- 1. What will you be looking for in nominations?
- 2. What advice can you give nominees about presenting?
- 3. What lessons will you apply from your own career when assessing candidates?
- 4. Which three words would you use to describe the ideal candidates?
- 5. What do you anticipate will be the hardest part of this task?

EDDIE JONES

Head coach England national rugby union team

- 1. In a word, integrity.
- 2. Back yourself and know your strengths.
- 3. Throughout my career there have been times where I have had to reflect and learn from failures. This is something that I will be looking for in nominees.
- 4. Knowledgeable, enthusiastic, engaging.
- 5. I expect the high level of contestants will make choosing a winner particularly challenging.

RIKA BEPPU

Partner Hogan Lovells

- It is not easy to define companies, organisations
 or individuals from what they have accomplished
 in just a year, but I think that as 2016 has been a
 year of dramatic change and unexpected historical
 events, I would like to focus on those who have
 embraced change and contributed to getting
 positive outcomes from that change.
- 2. Be concise and accurate, but also state a vision for the future, if possible.
- Business realities and priorities change over time, and therefore organisations and individuals must

adapt, too. However, fundamental principles such as operating with integrity, honesty and empathy do not. When assessing achievements in 2016, I will apply these principles and look for a consistency in approach.

- 4. Change maker. Do-er (not say-er). Humility.
- 5. I expect there to be many amazing candidates in all categories, so it is not going to be easy to pick a winner, I'm sure. But I'm certainly looking forward to it!

ARATA OGURI

Principal Arup

- I will be looking for proof of DRIVE and advancement or improvement in every aspect.
- Although not especially difficult, the amount of nomination text should nonetheless fit in the given boxes without the need for much scrolling.
- 3. Apart from what is presented on the nomination form, I will try to find out what I can about the candidates' positive reputations.
- 4. Innovative, sustainable, influential.
- 5. The fact that the scoring has to be done without looking into the eyes of the candidates.

ROSALIND CAMPION

Minister-Counsellor for Economic Affairs, Strategy and Communications British Embassy Tokyo

- I'll be looking for a nomination which tells a story, which has tangible results and which bristles with enthusiasm and energy.
- 2. Tell me a story. Make it interesting. Make me care about your success and make me want you to be successful.
- 3. I'm not sure if it's a lesson, but I'll be looking for candidates who didn't take the obvious path or make the easy choice. I've found that success comes through building strong relationships with others, so I will be looking to hear from candidates who have done that. And finally, early on I decided that I wanted to do a job that I couldn't believe
- someone was paying me to do. I've pretty much managed that ever since then, and will be looking for candidates who've got a similar passion for whatever they do.
- 4. Outcome-focused, enthusiastic and energetic.
- 5. I suspect all the judges will say that they think the hardest part will be choosing between some really high quality submissions, and of course this is absolutely going to be the hardest part. However, just to nuance that a bit, I think the hardest thing will be comparing submissions that are equally impressive, but very different in terms of journey and outcome.

STEVE CRANE

Chief executive BusinessLink Japan and Export to Japan

- Uniqueness, a compelling example of an organisation or individual going way beyond the norm to achieve something (related to the specific award they are in contention for).
- 2. Tell a story, draw me in, get me hooked.
- 3. To be open minded, to consider deeply, to seek out the good in all that is presented.
- 4. Outstanding, determined, committed.
- Only having six winners, I anticipate a high
 proportion of the nominations will deserve to win,
 so trying to identify the eventual winners will be a
 huge challenge.



GSK has made substantial progress towards creating a malaria vaccine.

Beyond the bottom line

In healthcare, prioritising patient welfare yields benefits for all concerned CUSTOM MEDIA

or most firms, the biggest news concerns the bottom line. But for British health-care firm GlaxoSmithKline (GSK), one of the biggest announcements of 2016 has been their position at the top of this year's Change the World list published by *Fortune*. And in GSK's case, the two things aren't unconnected.

The list, now in its second year, highlights those firms who are achieving positive social outcomes, and all the while running successful businesses, too. Indeed, the firm's operating profit last year hit £10.3 billion, an increase of 187% on the previous year.

For GSK, the route to the top has been long in the making, and its dedication and commitment around the world to modernize the way it does business contributed to its numerous social achievements over the past decade. Taken together, these have two main focuses.

Help where it is needed

Much of GSK's work takes place in least-developed countries (LDC), and there the firm has taken a long-term view that prioritises patient welfare over short-term profits. And given the healthcare challenges that exist in those places—which can range from underfunded infrastructure through to the outbreak of unexpected diseases that may expand to the other part of the

world—the resulting contribution can be immense.

In 2013, GSK formed a unique global partnership with Save the Children, which had the aim of saving the lives of 1 million children. This program, called "Orange United", provides benefit not only for children in need, but also people in developing countries by improving access to basic healthcare by training health workers.

A significant amount of GSK's work is focused on tackling major diseases directly. For around three decades the firm has been working towards a vaccine for malaria, a disease that has had a devastating impact in Sub-Saharan Africa. During this time, no vaccine for malaria has existed, but in January of this year the World Health Organization announced that GSK's vaccine would be introduced to Sub-Saharan Africa through a pilot implementation programme.

Progress is also being made towards combatting enduring and emerging threats. GSK worked with the World Health Organization to accelerate the development of an Ebola vaccine candidate, and the firm also recently partnered with the government of Botswana on an HIV treatment programme. The firm is also collaborating with the National Institute of Health, an agency of the US Department of

It is not just about creating the drugs themselves, but also improving access to them.

Health and Human Services, to create a vaccine for the Zika virus.

However, it is not just about creating the drugs themselves, but also improving access to them. GSK has introduced price cap regulations on their medicines in LDCs—no more than 25% of the price in developed countries is charged in LDCs, and the firm is committed to reinvesting 20% of its profits made in developing countries back into strengthening their health systems.

Access goes beyond prices, however, and improving access around the world requires a flexible and multi-faceted approach to intellectual property (IP) protection. While IP stimulates and underpins continued investment in research and development, GSK has taken the position that being

flexible with its IP can help address pressing health challenges in developing countries.

Trust and transparency

Ensuring patient welfare is being best served isn't just about training and medicines, however. The decision-making processes that lead to a given course of treatment are of utmost importance too, and here GSK have taken significant steps to improving transparency and accountability within the industry.

One significant initiative by the firm has been to introduce a new, industry-first incentive scheme for their sales professionals. Since 2015 GSK has evaluated such staff based not on individual sales targets, but a range of metrics, including their technical

knowledge, the quality of service provided and the overall performance of GSK's business.

GSK has also shifted the model of its interactions with healthcare professionals (HCP) by ending the practice of paying them to speak on behalf of the firm at events attended by HCPs that prescribe medicine, as well as the paying of HCPs to attend conferences. And GSK has for years now disclosed all its payments to HCPs in a number of countries, including Japan and the UK, a system that it has been steadily widening to the other territories in which the firm operates.

However, contributing to medical education for HCPs is important and this year GSK introduced a new initiative in the industry aiming for the

advancement of medical science. The firm is also diversifying the channels through which it provides educational information for HCPs, with GSK bolstering its digital technologies this year in order to widen access.

"Over the last decade, we have made industry leading changes to modernise and re-shape our business", said Philippe Fauchet OBE, president of GSK Japan. And now the firm is very much seeing the rewards.

"[The Fortune award] confirms that [GSK] is part of a company that innovates on all fronts globally and in Japan, and that this translates into material gains for the world, for science and for the community, thus ensuring our long-term sustainability and profitability". #



Partnerships between charities and business have improved access to healthcare.



GSK has cut the prices of drugs in least-developed countries.

IAIN FERGUSON

President of Lloyd's Japan talks about solutions for specialist business risks and the benefits of BCCJ membership

BY CHRIS RUSSELL

Ithough the Japan office of Lloyd's, the world's specialist insurance market, will be celebrating the 20th anniversary of its incorporation next year, Lloyd's involvement in the country stretches back much further. The insurance market appointed its first agent to the country in 1868—the year of the Meiji Restoration—and since the turn of the 20th century has been providing Japanese insurers with reinsurance.

According to Iain Ferguson, president and chief operating officer of Lloyd's Japan and member of the British Chamber of Commerce in Japan's (BCCJ) Executive Committee (Excom), despite all the changes that have come to pass in the world and the industry since then, that history retains a lot of relevance.

"[Reinsurance is] still a very big and important part of our business today", said Ferguson, who has 20 years of experience working in Japan. "The relationships that we have built over that time with the large Japanese insurers, and others that we protect, remain very strong and very important.

"And, indeed, in recent years we've seen the investment the other way, so the big Japanese insurers have actually invested in Lloyd's and now run their own businesses in the Lloyd's market, which makes them even more a part of the Lloyd's family".

But reinsurance is just one part of the story. Lloyd's also offers firms trading in Japan coverage for a range of specialist risks, such as warranty and indemnity for mergers and acquisitions (M&A), as well as space and satellite insurance, renewable energy, political risks, trade credit and environmental liability.

"Our sweet spot and what we do in this Lloyd's Japan office is the more specialist commercial end of the market", explained Ferguson. "The kind of tough and advanced specialist coverage that a lot of underwriters find difficult to provide, that's really where Lloyd's is strong".

But for Lloyd's, there is still an ongoing process of education involved—many Japanese firms simply don't realise that these more complex products are available. "We do a lot of seminars and education in the market", said Ferguson. "That's one of the key activities for this office".

Not standing still

Although Ferguson notes that the insurance industry emerged from the financial crisis relatively unscathed, change is still afoot in the industry, not least for Japanese firms.

With the three main Japanese non-life insurers—MS&AD Insurance Group, Tokio Marine and Sompo Japan Nipponkoa (SJNK)—now accounting for between 85–90% of the market, domestic insurance market consolidation has largely gone as far as it can. Now firms are having to look abroad for expansion, something that is part of a wider trend for Japanese businesses. And further evidence of this came in October with SJNK's move to acquire US firm Endurance.



lain Ferguson's career in insurance has spanned Europe, the Middle East and Asia.

A DAY IN THE LIFE: IAIN FERGUSON

7am: Up and running, take part in the school run

8am: In the office

Mornings: Catch up on email, distribute and delegate tasks

Noon: Business lunch, meetings, occasional visit to the gym

4pm: Second day begins, as calls and emails start to come

from London

5–7pm: Video and telephone conference calls

8pm: Back at home, settle down the children, relax with

a glass of wine in front of the television

"For me the most interesting thing is that those three big groups, and Japanese corporates in general, have had a change in their mentality about business outside Japan", said Ferguson.

"It's no longer just [following] Japanese interests abroad—there is a proper international strategy now to be a true global business, which has been driven by the demographics in Japan. I think the penny has dropped—they understand that they can't rely only on domestic revenue. If they do, they're going to struggle to maintain their top line.

"I think all three leading insurance groups have made very substantial progress towards that goal".

That said, insurers, and other firms, may still face a bumpy ride along the way.

"There's a whole bunch of new risk management challenges that come with new territories, new workforces, new regulations in all of these host countries around the world", said Ferguson.

Further change is fast approaching due to the UK's decision to leave the EU. In particular, the loss of so-called "passporting" rights would have an impact on Lloyd's European business, and Lloyd's Chairman John Nelson has said that the firm may consider establishing some additional operations in Europe. But Ferguson cautions against overstating any risks.

"Lloyd's values its historical trading rights across the EU and European Economic Area. We have decades of strong trading relationships with our European markets and we are taking the necessary steps to ensure that our European policyholders have continued access to Lloyd's specialist insurance and reinsurance in the long term", he said.

Other, more distant developments are also on the

horizon. Climate change, self-driving cars and technological developments within the insurance industry itself are just some of the things that will have an impact, but Ferguson believes that Lloyd's can keep pace with the changes.

"Lloyd's has throughout its history been a very innovative market—the first motor policy was written at Lloyd's, the first satellite policy was written at Lloyd's, excess of loss reinsurance was invented at Lloyd's", he said. "There's a long, long list of things that have come out of the innovation of Lloyd's underwriters.

"I think at the moment there is a desire to recreate that innovative and pioneering spirit among underwriters, and really challenge the thinking to come up with what are the new products that could be in play for the emerging risks of tomorrow".

Real value

In addition to his work with Lloyd's and the BCCJ, Ferguson also sits on the executive committee of the Foreign Non-Life Insurance Association of Japan and the board of the Japan-British Society.

For the BCCJ, Ferguson leads
Excom's Membership Task Force,
which focuses on how the BCCJ can
provide value for different types of
members and how the membership
can be expanded. And for those
who are part of the chamber,
Ferguson is clear on the benefits.

"I do believe there's real value for members in terms of networking and gathering market information from sources that they may not be able to access themselves", he said. "There are already very strong links with the embassy and UK Trade & Investment, and we're now working on making inroads into various [Japanese] government departments". #





Caterham Cars expect to sell one-third of their new Seven Sprint model in Japan. • PHOTO: DINO DALLE

THE ROAD NOT TAKEN

Carmakers buckle up for Brexit as talks loom

BY RICHARD SMART

hen Prime Minister Shinzo Abe headed to China for the G20 meetings in September, he had with him a letter for Britain and the European Union produced by multiple Japanese government departments and business leaders. Its subject was Britain's vote to leave the EU—Brexit—and the demands the Japanese had for the two parties as the latter worked towards an amicable divorce.

The letter was polite but firm. It should trouble all parties. Among the main focus of its content was the fate of agreements that are likely to have an effect on conditions for automakers. Japan is concerned that any split would have a harmful effect on automakers such as Nissan Motor (GB) Limited, Honda (UK) and Toyota (GB) PLC, which have manufacturing bases in the UK.

"Tight and integrated value chains have been established between the UK and the EU; with the imposition of duties, manufacturers especially of automobiles—could have such levies imposed twice, once for auto parts imported from the EU and again for the final products assembled in the UK to be exported to the EU, which would have significant impact on their businesses", the letter reads.

Government statements since the letter was delivered have confirmed that it was written after consultation with numerous businesses to get an understanding of their views on Brexit.

"We are unable to disclose specific names of the Japanese businesses since we do not have their consent, but one thing we can say is that we covered as many Japanese businesses as possible, from large corporates to SMEs", a Japanese Ministry of Foreign Affairs official said.

Surveys back up the claims made in the letter. Research firm Teikoku Databank Ltd. recently found that 51.3% of more than 10,000 Japanese businesses it questioned expect Brexit to have a negative impact and a further 35.8% believe the situation remains opaque. So what does this mean for the auto industry?

Murky future

For now, very little. British Prime Minister Theresa May has repeated "Brexit means Brexit" like a mantra, and there is little evidence that anybody in a leadership position has a stronger idea concerning how any split may look.

Automakers, given the circumstances, are staying calm. Major Japanese manufacturers have told *BCCJ ACUMEN* that they are taking a wait and see approach for the time being. British auto firms operating in Japan have a similar approach.

Jaguar Land Rover has said that, from its perspective, there is little to worry about for now in terms of the impact of the vote.

"It is business as usual for Jaguar Land Rover", the firm said in a statement. "We remain a British company committed to all our sites and investment decisions. We are still a key part of the European automotive business and economy, and that will continue.

"There will be a significant negotiating period, and we need to understand more about that as details emerge", it said. "We will work hard with all parties to ensure that the importance of the British automotive industry is fully understood at every level of the negotiation process".

Justin Gardiner, brand manager of Caterham Cars Japan, was more direct about the anticipated impact of Brexit on his firm here.

"For us, [there is likely to be] short term gain, [and] possible long term pain", he said. "The rapid devaluation of the pound has meant that we can reduce the price of Lotuses and Caterhams. But, all our cars are produced to European Community Small Series Type Approval (EC SSTA) standards, which not only give us access to all of the EC without taking the same stringent tests as mainstream manufacturers, but are also respected by the Japanese regulatory authorities".

Gardiner wonders what happens to these beneficial standards after any split.

"Once we're out, what benefit does the EU have in maintaining this system?" he asks.

Costs coming?

McLaren, another British automaker, also says that the currency movements of the past few months, which have sent the yen into the lower 130s against the pound, from ¥150–160 before the vote took place, is not enough to satisfy consumer worries.

"Japanese customers worry that British car prices will increase because of Brexit", Tetsu Hirano, sales manager at McLaren Tokyo, told BCCJ ACUMEN.

If parts produced elsewhere in Europe are subject to tariffs after Brexit, or other barriers go up, then price hikes may be inevitable. Additionally, the position of the pound against the yen does not appear to have found solid ground. After creeping towards the 140 mark a couple of weeks ago, comments by former UK Independence Party leader Nigel Farage

demanding a "hard Brexit"—presumably meaning one that tackles immigration, but which would likely also prevent access to the single market—sent the currency back towards 130.

Hirano, though, says there is plenty that Britain can offer Japan.

"We have excellent navigation systems and safety devices for Japanese cars", he said. "The UK has to study the Japanese market".

Years before the referendum decision, Gardiner had done just that, demonstrating what a little resourcefulness can achieve.

As a journalist, he learned the intricacies of Japan, including its unique rules on so-called *kei* cars—light vehicles that are afforded tax breaks and which make about one-third of the passenger car market. He suggested to Caterham that they tweak their vehicles to make them into *kei* cars in Japan, something the firm has done with great success.

Today, he says Caterham and other British cars have a strong presence in Japan that is likely to endure.

"UK cars are intrinsically suited to the Japanese market", he said. "Jaguar Land Rover are going great guns and, with the size of Japanese roads and proximity of fabulous driving roads in the mountains, it is easy to see why Japan is the biggest market globally for both Lotus and Caterham, before we even begin to talk about the kei"."



Costs could be a long-term issue for British car manufacturers.
PHOTO: MCLAREN AUTOMOTIVE LIMITED

MAKING GOOD THINGS HAPPEN

Corporate social responsibility programmes offer benefits and challenges

BY CHRIS RUSSELL

irms are increasingly keen to show themselves as responsible members of the community. In Japan, that has particularly been the case since the devastating 2011 earthquake in the Tohoku region and, earlier this year, the powerful shocks in Kumamoto Prefecture, which together have made corporate social responsibility (CSR) a more important topic than ever. But for firms just starting on this path, the route ahead isn't always clear.

Thankfully then, on the evening of 15 September members of the British Chamber of Commerce in Japan (BCCJ) and associated non-profit organisations (NPO) came together at SuperDeluxe in Tokyo's Roppongi district for the BCCJ's 2016 Community Hub to talk about their experiences with CSR programmes in Japan.

Speakers included Yukimi
Ito, head of communications at
GlaxoSmithKline (GSK) Japan,
which supports charities such
as Save the Children through its
unique global partnership called
Orange United; Rob Williams of
the amateur cycle team Knights in

White Lycra (KIWL) that, since 2013, has raised funds for several Japanese charities; Kozue Oka, executive director of the NPO Mirai no Mori, which is currently supported by KIWL; and Mark Dytham MBE of KleinDytham architecture, which backs the NPO Home-for-All.

Using the PechaKucha format—whereby presentations are delivered alongside 20 slides displayed for 20 seconds each—the speakers outlined the scope of their work and their not inconsiderable achievements. This was followed by an opportunity for networking and discussions among attendees, and an insightful Q&A session moderated by BCCJ Executive Director Lori Henderson MBE.

What it takes

For any CSR programme, the main goal is the social benefit it brings, and the organisations of the night's speakers have made a real impact: KIWL has raised ¥25.2 million in its short history. And there are other benefits, too.

"The GSK and Save the Children partnership is an important

Knights in White Lycra has raised ¥25.2 million in its short history.



Speakers included individuals from non-profit organisations and BCCJ members.

"If we want to be a sustainable organisation, it's worth the paperwork".

example of the way the private and NGO sectors can collaborate for the benefit of people in need around the world and for the sake of businesses, community and wider society", said Ito.

"When we ask our employees what do you like the most about GSK, many say, 'Orange spirit'", said Ito, referring to the ethos of the firm's various CSR programmes, all of which are identified by "Orange", GSK's corporate colour. "We believe this is about bringing employees together and engaging them.

But the benefits are underpinned by significant amounts of hard work, and the speakers outlined some of the challenges associated with running CSR programmes.

For those looking to start such initiatives, an obvious question is where to begin. Here, Ito pointed out the importance of finding fellow members of staff, particularly managers, who have a commitment to, and an interest in, CSR.

"Work with them and that is going to be a big driver and will certainly expand the network within the organisation", she said.

Then there are certain bureaucratic challenges to overcome to attain the appropriate NPO status, which confers certain tax benefits for donations. But it is worth it, according to Mirai no Mori's Oka

"If we want to be a sustainable organisation, it's worth the

paperwork", she said. "But it was really hard".

Achieving NPO status also comes with other boxes to be ticked, and these can involve serious time commitments.

"We all have to meet once a month by law, and we all do", said Dytham, noting that Home-for-All counts two Pritzker Prize winners among its board members.

However, this requirement does not exist for all NPOs.

Raising money for projects naturally comes with its own difficulties, which are arguably compounded by differences in approaches to charity work between Japan and Western countries. "This notion of donating for charitable events isn't something which is in the national psyche here ... People are just not used to donating and there's a trick to try and get that to happen", said Dytham. "[Donors] need tangible things. They want a return on investment on their donation".

Indeed, Williams from KIWL noted that a similar mentality also exists among members of the general population. At a KIWL event at the end of October, participants will receive a commemorative T-shirt in return for their entrance fee.

"[The T-shirt] made more Japanese people participate", he said. "Why? Because they actually get something for what they pay". This sits more comfortably with Japanese traditions, whereby gift-givers receive a smaller gift in return.

While proper CSR programmes require hard work and dedication, they nonetheless have a value that goes far beyond that of day-to-day business operations.

"Making money is one thing, and you are all very good at that, but I think making meaning is more difficult", concluded Dytham. "I think the group on the stage can help you make meaning, and that's a really priceless thing that money can't buy". \#



Non-profit organisation Mirai no Mori help disadvantaged children through outdoor events.



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BEST INTERESTS

- Client focus leads to long-term profits
- · Word of mouth drives growth
- Chiba, Kanagawa and Saitama offer investment opportunities

Client-first approach yields results

ealing with real estate is a daunting prospect for foreigners in any country, with issues of language and culture all serving to complicate what can be a stressful episode even in one's own country. This is particularly true in Japan, which has a number of its own quirks and differences, ranging from regulatory issues through to the nature of properties and the sheer range of districts and neighbourhoods to explore.

A number of foreigner-focused real estate agencies have been set up over the years in Japan to serve this segment of the market. Although such firms can help ease some of the strains that foreigners experience connected to renting, buying or investing in property, the culture, focus and results of these real estate agents can differ substantially. That means foreign residents are still tasked with finding one appropriate for their needs.

But what makes some agencies stand out from the crowd is their adaptability and willingness to serve their clients' wants and preferences. Moreover, some firms have made this central to their business philosophy and operations.

One such firm is Kimita
Estate Plan Co., Ltd., which is
able to tailor its offerings to client
demands across the full range
of real estate services—renting,
buying, selling, investing and



PHOTO: YOSHIKAZU TAKADA

financing. The firm is fully licensed, including for insurance and property management, and can support financing through its strong relationships with Japanese megabanks.

Making a virtue of its small size—Kimita Estate Plan comprises a small number of staff, all of whom have worked for the firm since its founding—the property agent can react quickly to changes in market conditions or client needs. Moreover, it isn't burdened by short-term targets or goals handed down from above. That provides a degree of flexibility that other firms struggle to match.

"We have always put clients first", said Kazutaka Kimita, president and founder of the firm. "If we do that, then the profits will follow".

All of this is backed up by a deep well of experience. Kimita has more than 20 years experience working in real estate, while the firm itself was founded in 1999. And there is a personal element, too. Kimita moved to Dublin in his twenties to study English, an experience that not only helped his language skills, but also gave him an insight into what it is like to live in a foreign country, something that he now draws upon in his professional life when working with clients.

The firm has also maintained an unblemished ethical record ever since its founding, encountering no legal troubles, and it is a strong commitment to transparency and honesty that has won Kimita Estate Plan a range of Japanese and foreign clients, with the firm enjoying strong, organic growth driven by word of mouth. According to Kimita, many clients have provided introductions to individuals who have gone on to deal with Kimita Estate Plan, such was their satisfaction with the real estate agent's services.

"I am always clear about any negative aspects to Japanese real estate first", said Kimita, explaining how he approaches deals with foreign customers. "Then we can move on to the positive elements, such as Japan's low interest rates, and be confident there won't be any misunderstandings".

Foreign clients account for about 80% of the firm's business, said Kimita, and they are mainly senior executives. Many are European, with British and French nationals being well represented. For such clients, when it comes to the complex financial and legal aspects of real estate purchases, Kimita Estate Plan's bilingual services are essential.

The firm also targets different cities depending on the nature of the transaction, with the firm focusing its work on the areas of Kanagawa, Chiba, Saitama and Tokyo, particularly within the Yamanote train line, such as the Minato and Shibuya Wards.

It is this range of locations within the Greater Tokyo area that allows Kimita Estate Plan to offer the array of services that it does. While some small firms may only focus on residential real estate, Kimita Estate Plan's understanding of the markets in Chiba, Kanagawa and Saitama allow them to offer a number of investment opportunities that provide significantly better returns than would be found in central Tokyo.

Such flexibility speaks to
Kimita Estate Plan's underlying
philosophy—one in which the
customer's demands come first. \$\cdot\text{\$\omegatty\$}}}\$}

www.kimita.co.jp

BENEFITS FOR JAPANESE OF EARLY-CAREER POSTS ABROAD

Report on September Forum for Expat Management

long with the rise in Japanese foreign direct investment, the past 10 years have seen an unprecedented increase in the number of Japanese expatriates.

Having experienced a number of challenges with their foreign subsidiaries, Japanese headquarters see the use of expatriates as a good way to ensure subsidiary–main office coordination and the transfer of knowledge, while investing in the expat's self-development.

The fourth Tokyo Forum for Expatriate Management was convened on 15 September and led by Miléna Osika (UniGroup Worldwide/ Sterling Japan). The event, sponsored by major moving and relocation firm Sterling Japan, gave 20 human resources (HR) professionals a chance to exchange information on, and learn about, HR strategies in the context of expat programmes for Japanese nationals.

Sharing his most recent research and vision for Japanese expats was Mitsuhide Shiraki, PhD, professor in the Faculty of Political Science and Economics at Waseda University, president of the Institute for Transnational Human Resource Management (HRM) in Japan, and president of the Japan Academy of International Business Studies.

He explained the results of a survey he had conducted of Japanese expats and local employees of Japanese subsidiaries in China and Association of Southeast Asian Nations member states, over the period 2008–2010. The 880 respondents indicated that the assigned Japanese nationals displayed five major characteristics.

 After the 3rd year of assignment, their satisfaction, performance and skill adaptation were likely to develop more quickly.

Due to the period of adaptation in the new country, these attributes are, on average,



considered to be less than what might have been expected during the first three years had the respondents still been working in Japan.

- Those who can make decisions quickly, accomplish tasks effectively and deal with problems rapidly are most likely to succeed.
 - Positive actions by the expat (reaching outside their comfort zone, being curious and pro-active) are essential to improve existing skills.
- Taking the opportunity to train at foreign subsidiaries is essential to demonstrating and maintaining leadership qualities.
 Through such training, employees are reminded of the firm's vision and their respective roles in achieving common targets.
- Those who are flexible and display empathy are most likely to be accepted by local employees.

This recognises the importance of being able to admit one's mistakes, take the opinions of others into consideration, and support other departments.

 A willingness to adapt to another society by understanding local customs and culture, as well as studying the local language with enthusiasm, constitute a plus for the expat's integration.
 Nevertheless, cultural adaptation shouldn't

Nevertheless, cultural adaptation shouldn't be considered the main factor in the success or failure of an international assignment. When the respondents of the same study were asked to rate Japanese management skills and the same skills of local management, none of the marks given for Japanese managers on the measured items surpassed those for local middle / top management. The weaknesses ascribed to Japanese managers are:

- Lack of understanding of local business practices, customs / culture
- Inability to point out their superior's mistakes
- Little negotiating ability
- Small personal networks

But the arrival of a new generation of expats is changing that. In August, the Waseda University Institute for Transnational Human Resources Management completed research on the career and development of young Japanese expats through a survey conducted of expats in their early thirties and their immediate bosses. There were 302 respondents.

Not only did 40% of the respondents strongly desire to accept their new assignment before leaving Japan, but the true difference in their approach and that of their older counterparts became clear in areas in which the latter were failing the most. Those in their thirties indicated that they are able to understand different cultures, enlarge their network among locals, and negotiate better.

Since the respondents are still on assignment, the study is ongoing and will take another few years to complete.

At a time when Japanese firms need more than ever to internationalise their workforce, such studies are most welcome. They show that Japanese firms and universities, as well as the government, are making increased efforts to raise Japan's position on the international employment ladder.

DIVERSITY, BRANDING & TECHNOLOGY

How developments in real estate enhance new working cultures

CUSTOM MEDIA

ince the advent of Abenomics, the Tokyo market for rented office space has been strengthening, with vacancies currently as low as 3.9% in August, according to office brokerage Miki Shoji Co., Ltd. Part of the reason for the upturn is the Bank of Japan's ultra-loose monetary policy, its effect on inward investment, the value of the yen and business spending habits. However another strong driver for the office market is a changing work culture, developments in IT, as well as business challenges faced by companies.

Because the boundaries between work and life are fading, the office is no longer just a place to work. Nowadays, people just as easily can work from home or a "third place" such as a café or a park. But that also means an individual's private life becomes ever more integrated with their workplace, according to Joris Berkhout at Mitsui Fudosan.

At the same time, the demographics of Japan have resulted in a real challenge for many firms' staff recruitment. In particular, an increasingly diverse workforce-in terms of gender, culture and age-requires new approaches and ideas.

As a result, many global firms in Japan are adapting their work cultures to accommodate a more diverse workforce, spark creativity and increase employee motivation.



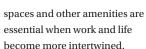
But recruiting new employees and communicating the corporate brand to the market can prove to be difficult. To provide an office space that will help business face these challenges, Mitsui Fudosan-Japan's largest real estate developer—is creating new office concepts and services in its future projects. And that's because, in short, real estate is no longer just about the office space.

Several years ago, the development of large mixed-use complexes such as Tokyo Midtown in Roppongi started this movement. Shops, restaurants, housing, hotels, medical clinics, art, outdoor









At the same time, these mixed-use complexes provide the ideal platform for firms to take advantage of the brand value of the building. For example, Mitsui Fudosan works closely with tenants to organise events, marketing campaigns and promotion.

And through future projects, such as the new Hibiya development next to Hibiya Park, the mixed-use concept will be advanced even further. To really create the workplace of the future,





amenities are a key factor. A gym, showers, lounges for both work and relaxation, free space and meeting rooms for clients will all form a natural extension of a tenant's office. Providing these amenities in the common area of the building reduces the space needed for each tenant's area and also allows for more flexibility.

These changes in attitudes to work mean that, for real estate developers such as Mitsui Fudosan, the mission is now not only to provide clients with office space, but also to provide businesses with the tools they need to help them grow. #



BY DR GREG STORY PRESIDENT, DALE CARNEGIE TRAINING JAPAN

ands and legs quivering, knees knocking together, face turning red, pulse racing, mind whiting out—this is stage fright. The term is associated with the total meltdown people experience when they get up to speak on stage in front of an audience. In Japan, there is even an association for those wishing to overcome stage fright. Our exposure to the "stage", broadly defined, is any occasion when we are required to get up and speak in front of others. The need to do so increases as we get older.

Our work responsibilities are rewarded with a salary, but also the obligation to give reports or speeches. We are innocently beavering away at our jobs, are recognised for doing well, and are given promotions or more responsibility. This is when we are forced to move out of our area of defined expertise and out of our comfort zone.

Tetsuya Miyaki is a typical example. He was a low-level bureaucrat in a municipal government office, but after being promoted to become the head of a department, he suddenly found himself having to give public presentations, including to the municipal assembly. His ambitions had now outstripped his abilities.

When he became the mayor of a city ward, the speech requirement exploded, and so did his stress. The opportunity to enjoy the fruits of hard-earned prominence were removed, because this one part of the job was killing him. "I feel as though I barely made it through my term", he lamented.

Eye off the ball

This is what happens to us. With no thought for the future, we plough along working hard, looking for the rewards, but forgetting the escalation of expectations that go together with that. If we took our nose off the grindstone and looked ahead, we would realise that, if we go further up in the echelon of organisations, our ability to speak in a professional manner will come with the territory.

I was the same. When I was younger, a friend of mine asked me to be best man at his wedding. I demurred and suggested an older mutual friend instead, citing my lack of experience for such a daunting responsibility.

The real reason was my terror of having to speak at the wedding, instead of just sitting there cool, calm and collected, eating, drinking and enjoying myself like everyone else. Did I look ahead and realise this is what comes with future responsibilities and go and get some public speaking training? No. I just avoided the issue at every turn, running away from every request like a scared rabbit.

Eventually, I gave my first public speech. It was in Tokyo in late 1983, in Japanese and it was horrible. I was supposed to talk for 30 minutes, but I finished in about eight. My nerves were ramping up my speaking speed. I read the whole thing, never looked up at my victims, didn't smile, had no pauses, no gestures, no animation and, to top it off, high blood pressure was giving me a big red face like a warning beacon.

I was stubborn. Did I go and get training after this near-death experience? No, I just kept on doing it the hard way. Ultimately, I gave hundreds of speeches in the course of my work responsibilities. I improved as I got more experience through simple repetition of the act, but I was still just an amateur bumbling along.

I could have spent decades polishing this speaking skill, rather than hiding from it.

Revelation

When I took the High Impact Presentation Course with Dale Carnegie it was such a revelation. Two instructors, everything videoed, massive personal coaching—it was amazing. I kicked myself for the price I paid by not having done this when I was younger.

I was an idiot. I could have spent decades polishing this speaking skill, rather than hiding from it. I could have ramped up my personal brand big time, if I had been even half smart, and got the training. Like Miyaki, for long periods of my career I was in pure self-denial.

Don't be stupid like me—get the training. If you are going to get anywhere in your career, you will need this facility to not just speak competently in front of an audience, but to speak persuasively. It is not a matter of if, only a matter of when. Are you going to let stage fright get you?

You're the boss

It is quite interesting that our clients come from just about every industry you can imagine, but we have noticed some common requests for improving team performance.

The four most popular areas are leadership, communications, sales and presentations. Although we started in New York in 1912, in Japan we deliver 90% of our training in Japanese. Also, having launched in Tokyo 53 years ago, we have been able to master how to bring global best practices, together with the required degree of localisation.

Engaged employees are self-motivated. The self-motivated are inspired. Inspired staff grow your business, but are you inspiring them? We teach leaders and organisations how to inspire their people. Want to know how we do that? Contact me at greg.story@dalecarnegie.com. \$\pi\$

BOOST YOUR TEAM

Corporate mystery-solving fun

xcitement rises as we don our Sherlock Holmes-style cloaks and deerstalker hats and are shown into a room, from which we have to flee within 60 minutes. Looking for clues among the furnishings—all in keeping with a special theme—anticipation gives way to survival: we need to solve the mystery.

Our hosts are Escape Hunt Japan, Ltd. The firm celebrated its first birthday in August 2016 and, given the popularity of escape games worldwide, has big ambitions. These games are increasingly seen as the ultimate team-building activity: accessible, engaging and relying on grey matter rather than muscles.

As the only business in Japan with such offerings in English and

Japanese, Escape Hunt has drawn global brands, such as Microsoft, Google and Nike.

The Japan office of a luxury brand contacted the firm after a merger left departments fractured and staff anxious about their positions. Working closely with its human resources team, Escape Hunt created an event to relieve stress, unveil personality traits, foster understanding, develop teamwork and communicate values.

Thought to have been started about 10 years ago, escape games have taken the corporate world by storm, in particular, given their value as a tool in supporting brainstorming, collaboration, creativity, trust and feedback.



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NEXT STEPS

Majid Riaz on how JET is still a springboard to the future

BY MAXINE CHEYNEY

ajid Riaz's interest in Japan began as a child, sifting his way through manga and anime, and later working for a Japanese company based in London.

"It kind of reunited [me with], and got me interested in, Japan again—so I decided to learn Japanese", he explained. He then read Japanese Studies at the School of Oriental and African Studies, University of London.

In addition, his degree allowed him to study in Hokkaido Prefecture for a year. After graduating, Riaz returned to Japan with the Japan Exchange and Teaching (JET) Programme, which celebrates its 30th anniversary this year, and he has not been back to London since.

As part of the programme, he worked as an Assistant Language Teacher (ALT) on the island of Shikoku in western Japan for five years, with some of his duties including translation work for the local Board of Education.

Now a programme coordinator in the Department of JET
Programme Management at the
Council of Local Authorities for
International Relations (CLAIR),
Riaz handles the substantial
task of application recruitment,
working with a dedicated team
of Japanese staff to screen
application forms and decide
where successful candidates are
to be placed.

Now in its 30th year, the Japan Exchange and Teaching (JET) Programme has welcomed more than 62,000 people from 65 countries to deliver grassroots international exchange between Japan and other nations.

"I work closely with staff at Japanese embassies and consulates abroad ... to help evaluate applicants", he said.

As one of the few people at CLAIR with previous ALT experience, Riaz uses this to guide and brief new JETs on arrival in Japan.

"I also work in a team doing a lot of work with the Ministry of Education, Culture, Sports, Science and Technology in Japan to help plan orientation workshops for JETs when they arrive", he said.

Although JETs sign contracts with their local municipal office, Riaz stressed that CLAIR provides continued guidance, training and advice from initial orientation right through to departure.

"We don't just hand them off to local government offices after they arrive. In addition to the training orientations upon arrival, we provide support throughout the year in the form of presentations and lectures", said Riaz, who delivers some lectures himself.

These need to "complement what the Ministry of Education have planned policy-wise for English foreign language education", Riaz explained, adding that CLAIR tries to provide as much support as possible.

A daunting part of moving to Japan is the language barrier. Although Japanese is not a requirement for JET, knowledge of it can be a crucial tool when working in different parts of Japan, and without it participants "sometimes feel slightly isolated", Riaz explained.

To address this, CLAIR
has introduced a full grant for
participants who take the Level
3 Japanese Language Proficiency
Test (JLPT), and Riaz hopes that
this will be rolled out to lower
levels soon as well.

Moreover, as many JET participants are in their early twenties and have just graduated from university, this may well be their first experience in the professional working world.

"Having to work outside the environment, social culture and norms in which you grew up is difficult, even more so than coming out just for ... university", Riaz said.

Support for JETs extends to career fairs and internships.

"We invite lots of local companies to come and not just have a presence here for their company, but also actively recruit outgoing JETs", Riaz said.

This, as well as the JET Programme Alumni Association International, provides a solid base for participants after they leave the programme.

"JET isn't just a salary and a place to work at, it's the tools, opportunity and the environment to create a springboard to other things", he added.

The JET Programme provides a platform to both bring the English language to Japan, and also allow JET participants to take their knowledge of Japanese culture home with them and into the working world.

"In terms of businesses, I know a lot of people go back and use this [experience] in Japanese companies in the UK or British companies in Japan", Riaz said.

Looking to the future, Riaz said that CLAIR hopes to keep expanding by strengthening their current relationships with local offices, recruiting more local organisations and providing "not just support for local offices, but also for JETs coming over".

The JET 30th anniversary ceremony, to be held in Tokyo on 7 November, will represent a chance for alumni and current JETs to celebrate what the programme has done for them. Riaz concluded by acknowledging those "in their home country and here in Japan" as a special community in "this extra place to call home".

WORK, REST AND PLAY

The hotel designed for your schedule



HOTEL the M INNSOMNIA akasaka has been designed to reflect the culture and rhythms of the surrounding district.

In today's dynamic world, the spaces in which we live, work and rest need to adapt to the lifestyles that so many of us lead. That is particularly true in a bustling city such as Tokyo, which is itself seeing the adoption of new attitudes to work, with a demand for flexibility on the rise.

Accommodating this change is HOTEL the M INNSOMNIA, which was launched in March 2016 and is located in Tokyo's Akasaka business district. With its 24/7 facilities and convenient location, HOTEL the M INNSOMNIA akasaka has been designed around the needs of guests with diverse schedules and a hunger for true cultural experiences. This is topped off with a modern designsophisticated wooden tables, exposed concrete—that matches the modern lifestyle that the hotel accommodates.

Rooms to suit you

A range of apartment-style rooms are available based on size and design features (some including Japanese décor), allowing guests to choose one that best suits their needs. But this isn't like a typical Japanese business hotel—even the smallest room has a lounge area and workspace.

And these rooms are augmented by a number of special rooms that are available to both guests and visitors.

Job done

HOTEL the M INNSOMNIA akasaka's "Workaholic" room provides the optimal environment for productivity and creativity for those who need to get work done during their visit.

Featuring a boardroom table that's ideal for meetings and conference calls, a top-quality audio system and high-definition television with multiple channels, as well as a whiteboard occupying a whole wall, "Workaholic" has everything you need to achieve your goals.

What's more, once work is over, "Workaholic" easily converts into a space to relax and unwind with colleagues. Sports and films can be accessed on the television through the hotel's entertainment library, and comfortable leather seats, complete with footrests, are available to kick back on.

Wining and dining

For those looking to socialise, but lacking their own space to do so, HOTEL the M INNSOMNIA akasaka's "Kitchen Drinker" room is the ideal venue for dinner parties. Equipped with top-of-the-range cooking facilities, storage designed by German firm Bulthaup and a dining table with seating for eight, this room is the ideal place to enjoy good food, and even better conversation, whenever suits you.

Step up the pace

An active lifestyle requires a healthy body, and for that the "Muscle Pain" gym has everything you need to stay in shape and on top of your game. Open 24 hours a day, the equipment from Italian manufacturer Technogym's Wellness Collection is available whenever you need it.

Keep refreshed

Living life in the fast lane requires constant refreshments, and HOTEL the M INNSOMNIA akasaka has you covered at all times. At our café, which is open 24 hours a day, guests can receive complimentary coffee from the Kyoto brand Unir. Pair a cup with the cafe's delicious croissants from Kyoto's Le Petit Mec bakery for the perfect snack to keep you going at any time of the day.











The hotel offers a variety of rooms and facilities to suit your schedule.

KARMA CHAMELEON

A life between contradictions

BY PETER TASKER

magine you become obsessed with an obscure subject of study and spend 14 years working on a book about it, travelling across East Asia, from Japan to Myanmar in the process. Then, when the manuscript is finally complete, you entrust your only copy to a friend who mislays it in a drunken stupor.

And that's that. You never see the text again. For the year is 1948 and there are no such things as USB memory sticks or cloud computing.

That was what happened to William Empson, the modernist poet and author of the seminal work of literary criticism, *Seven Types of Ambiguity*. Yet the story does have a happy ending—or at least a bittersweet one. Long after Empson's death in 1984, the manuscript miraculously appeared amongst a set of papers donated to the British Museum.

In 2016 *The Face of the Buddha* has finally been published in a handsome edition that includes many of Empson's own photographs. And the introductory essay by Myanmar-based scholar and poet Rupert Arrowsmith is a *tour de force* of scholarly insights.

"Not a burglar, but a university professor"

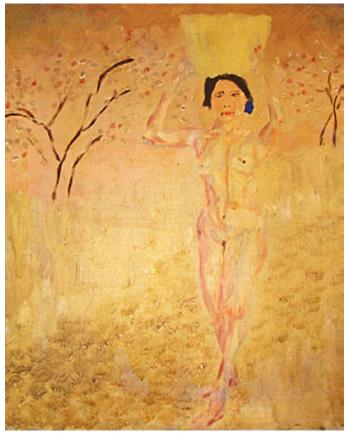
Empson arrived in Japan to take up a teaching job in 1931, mere months before the Manchurian Incident set the country on the course to war. Like any 25-year-old fresh-off-the-boat teacher with no knowledge of the language or culture, Empson had difficulty integrating.

As biographer John Haffenden relates, there was trouble on his very first night. Following a drinking session, Empson returned to his hotel after the doors had been locked. Undeterred, he clambered, legs first, through a nearby window only to find himself in the staff room of the adjacent station.

"Once caught, it was not a burglar, but a university professor", ran the headline in the next day's *Asahi*.

Empson's first house was in Kojimachi, near the British Embassy. This allowed him to associate with the great Japanologist Sir George Sansom, who held the post of Commercial Counsellor. After a year, he moved to Takanawa.

Although disturbed by the increasingly tense political atmosphere, Empson revered traditional Japanese arts. He had read Waley's translation



A painting by Empson of his girlfriend, Haru.

of *The Tale of Genji* while at Cambridge and soon developed an affinity for *noh* drama. As Haffenden writes, "the *noh*, he believed, chimed with the philosophical 'notion' informing much of his own poetry—that 'life involves maintaining oneself between contradictions'".

Asymmetry and ambiguity

His poetic output was affected, too. In Empson's 1940 collection, *The Gathering Storm*, three poems appear that are credited to "C. Hatakeyama (transl. W. Empson)".

For many years nothing was known about "C. Hatakeyama", and there were doubts whether such a person even existed. In the late 1990s, however, poet and literary scholar Peter Robinson uncovered the history of Chiyoko Hatakeyama, an obscure but talented poet who was living in distant Aomori Prefecture at the time. Though she met Empson only once, they corresponded for several years.

Hatakeyama wanted to write poetry in English but, instead, her famous *sensei* took her English translations of her Japanese poems and reworked them for publication. Empson also acquired a girlfriend, Haru. His relationship with her is the subject of the fine poem *Aubade*.

Much of his spare time was spent visiting temples in Tokyo and Kamakura, where he took painting lessons from the British wife of Junzaburo Nishiwaki, one of Japan's leading poets of the 20th century. "The Buddhas", he declared to a friend, "are the only accessible art I find myself able to care about".

It was on a jaunt to the ancient capital of Nara in the spring of 1932 that he experienced the epiphany that led to the writing of *The Face of the Buddha*.

When he viewed the 7th century wooden statue known as the Kudara Kannon at the Horyu-ji temple and the Miroku Bosatsu at the neighbouring Chugen-ji nunnery, he was immediately struck by the profound beauty of the statues.

Furthermore, there was a feature, unremarked in any of the scholarly literature, that leapt out at him.

The faces of the statues appeared to be asymmetrical, reflecting two different mental states. The left side, with its flat eye and mouth, conveyed detachment; whereas on the right side the eyes and mouth slanted upwards, conveying force and charm.







Empson was fascinated by the asymmetry in the faces of Buddhist statues and manipulated them to achieve new expressions.

Empson was to find similar asymmetry in other early Buddhist statuary, in Japan and elsewhere in Asia. Being knowledgeable about contemporary science, he sought to relate his discovery to emerging theories of left/right brain functions.

Some of the most interesting illustrations in *The Face of the Buddha* are Empson's own manipulated images of the statues' faces. By doubling the left side and doubling the right side of a face, he gets drastically different expressions. The man who revealed different layers of meaning in the poetry of Shakespeare and Donne had identified the same principle at work in the Buddhist statuary of the 7th and 8th centuries.

Ambiguity, contradictions and complexity were the leitmotif of his work, and also his life. According to Haffenden, it was an episode of sexual ambiguity that led to his premature departure from Japan. A lifelong bisexual, Empson appears to have propositioned a taxi-driver, who reported him to the police.

The older Empson went on to greater things—a knighthood and further renown as an academic and literary critic. He never set foot in Japan again, but the influence of his Asian experiences was profound. He prefaced his *Collected Poems* with an extract from his own translation of *The Fire Sermon*, a Buddhist text. It was also read out at his funeral in 1984. \$\displaystyle{\psi}\$



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ARS

UK EVENTS IN JAPANCOMPILED BY
KIYOKO MORITA

5 OCTOBER-6 NOVEMBER

Kinky Boots

Based on true events, Kinky Boots is a Northampton-set musical that tells the heart-warming and humorous story of two people with nothing in common. Straitlaced Charlie Price is struggling to live up to his deceased father's expectations of continuing the family shoemaking business. With the factory's future hanging in the balance, help arrives in the unlikely but spectacular form of Lola, a fabulous performer in need of some sturdy new stilettos. PHOTO: MATTHEW MURPHY, KINKY BOOTS NATIONAL TOURING COMPANY

Tokyu Theatre Orb

Until 30 October Shibuya Hikarie 11F, 2-21-1 Shibuya, Shibuya-ku, Tokyo **Orix Theatre** 2-6 October 1-14-15 Shinmachi

1-14-15 Shinmachi Nishi-ku, Osaka Various times Adults: from ¥8,000 »www.kinkyboots.jp 03-3477-3244 (Tokyo) 0570-200-888 (Osaka)

29 OCTOBER-5 NOVEMBER

Sir Kenneth MacMillan's Romeo & Juliet

First performed in 1965 by the Royal Ballet, this take on Shakespeare's *Romeo and Juliet* was choreographed by Sir Kenneth MacMillan, one of the most influential members of his profession in the 20th century. The colourful and dramatic score by Sergei Prokofiev (1891–1953) will accompany the dancing, with the combination of the two drawing out the richness of the story.

Opera House

New National Theatre, Tokyo 1-1-1 Honmachi Shibuya-ku, Tokyo Various times Adults: from ¥3,240 »http://www.nntt.jac. go.jp/english/productions/ detail_007997.html 03-5352-9999



Bridget Jones's Baby

Everyone's favourite singleton returns in the latest cinematic entry in the *Bridget Jones* series, with Sharon Maguire (*Bridget Jones's Diary*) back in the director's chair. Starring Renée Zellweger as the titular character, along with Colin Firth and Patrick Dempsey, this new chapter finds Jones unexpectedly expecting following her break up with long-running love interest Mark Darcy.

Toho Cinema Nichigeki

Various times Adults: ¥1,800 »http://bridget-jones.jp/ 03-3574-1131









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Note: Not



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Winners will be picked at random.

29 OCTOBER-25 DECEMBER

British Art and Travel

Held to commemorate the recently renovated British Embassy villa in Oku-nikko, Tochigi Prefecture— which is now open to the public— the exhibition will feature works by British Romantic painters. Included shall be paintings by artists such as Joseph Mallord William Turner (1775–1851) and John Constable (1776–1837). PHOTO: TURNER, Joseph Mallord William, Landscape, with Woman and Tambourine © TOCHIGI PREFECTURAL MUSEUM OF FINE ARTS

Tochigi Prefectural Museum of Fine Arts

4-2-7 Sakura
Utsunomiya-shi, Tochigi
9:30am-5pm (last entry 30 minutes prior to close)
Closed: Mondays
Adults: ¥800
»http://www.art.pref.tochigi.lg.jp/
028-621-3566

• Free tickets

We are giving away five pairs of tickets to this exhibition.

18 NOVEMBER

Henry Purcell and Church Music of the UK

For more than 30 years, the Tokyo Baroque Choir has been performing religious choral works, with a particular focus on those of Johann Sebastian Bach (1685–1750). On this occasion, the choir, whose members have sung in London and Cambridge, will

present pieces by Henry Purcell (1659–1695), one of England's greatest composers and the creator of a distinctly English form of Baroque music.

St. Mary's Cathedral, Tokyo

3-16-15 Sekiguchi Bunkyo-ku, Tokyo Doors open: 6:30pm Starts: 7pm Adults: ¥3,500 »http://sound.jp/tobaro/ 0570-02-9999

21-25 NOVEMBER

Yes Japan Tour

The British progressive rock band Yes—known for their artistic and symphonic music—was formed in 1968 and reached their creative, critical and commercial peak in the 1970s with such albums as Yessongs and Tales from Topographic Oceans. On this Japan tour, the band will be performing material from both albums.

Orchard Hall, Bunkamura

(among other locations)
2-24-1 Dogenzaka
Shibuya-ku, Tokyo
Various times
Adults: from ¥9,000
»http://www.udo.co.jp/Artists/
Yes/index.html
03-3402-5999

• Free gift

We have three of the band's T-shirts to give away.

COMMUNITY











UK-Japan events

1 | EMBASSY

In Japan for the G7 Transport Ministers' Meeting in Karuizawa, Secretary of State for Transport Chris Grayling MP called on Tokyo Governor Yuriko Koike at the Tokyo Metropolitan Government on 26 September. Their meeting included discussing sharing the UK's infrastructure expertise and experience from the London 2012 Olympic and Paralympic Games as Tokyo prepares to deliver the Games in 2020.

2 | EMBASSY

Minister for Asia and the Pacific Alok Sharma MP met Minister for the Tokyo Olympic and Paralympic Games Tamayo Marukawa, in Tokyo on 27 September to discuss UK expertise in support of the Tokyo 2020 Games.

3 | ANNIVERSARY

Robert Heldt, president of Custom Media, won a prize at the 20th anniversary celebrations of IT services firm Eire Systems on 9 September at the Conrad Hotel in Tokyo.

4 | VIP LAUNCH

Jaguar Land Rover Japan CEO Magnus Hansson (left) and the luxury carmaker's brand ambassador, tennis star Kei Nishikori, launched the firm's global Art of Performance Tour in Japan, at Odaiba on 20 September, while showcasing Jaguar's first SUV, the new F-PACE.

5 | FOOD AND DRINK

Staff members of The Kyoto Distillery, including chief executive David Croll (rear, right), marked the product launch of their new KI NO BI gin.











6 | CHARITY

David Beckham OBE posed with students from the British School in Tokyo at a football match in Tokyo to help Kumamoto Prefecture, which was hit by powerful earthquakes earlier this year.

7 | BCCJ EVENT

BCCJ Executive Director Lori Henderson MBE chatted with Irish Ambassador Anne Barrington at the annual Night with the Irish. Held in conjunction with the Ireland Japan Chamber of Commerce, the event took place at the residence of the Irish Ambassador.

8 | CULTURE

Now in its eighth year, the annual Japan Matsuri returned to London's Trafalgar Square on 25 September, for a day of Japanese food, culture and entertainment.

9 | MUSIC

Legendary British rock band Queen performed with singer Adam Lambert on three consecutive nights from 21 September at Tokyo's Nippon Budokan arena.

10 | DESIGN

Yasuhiro Suzuki displayed his installation A Journey Around the Neighbourhood Globe at the 2016 London Design Biennale, held on 7–27 September at Somerset House in London. PHOTO: ED REEVE Advertising in magazine media is proven to increase sales as much as 17%

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OPTING OUT

There may be fewer *hikikomori*, but social pressures will continue to create them

BY IAN DE STAINS OBE



While the latest survey indicates an overall decline in the number nationwide—a 2010 survey put the figure at 700,000—it also highlights a trend in which people are withdrawing for longer periods. Those who shut themselves in for at least seven years account for almost 35% of the total, followed by those who isolate themselves for between three and five years (28.6%) and those who've been reclusive for between five and seven years (12.2%).

The Ministry of Health, Labour and Welfare defines hikikomori as a state in which people refuse to leave their homes and so isolate themselves from society for a period exceeding six months. The psychiatrist Tamaki Saito, who has written extensively about the condition and who coined the term, qualifies the definition by adding that the state "does not seem to have another psychological problem as its principal source". The term can



SAM WOLFF/WIKIMEDIA COMMONS

also refer to the people who suffer from the condition.

However, some psychiatrists have speculated that there may indeed be a relationship with autism spectrum disorders, but that because of cultural and social pressures unique to Japan, such disorders present somewhat differently than in the West. Which is not to say that *hikikomori* is exclusively Japanese; cases have been reported in South Korea, the US and countries in Europe.

Nevertheless, the phenomenon is particularly acute in Japan. In his excellent 2006 publication, Shutting Out the Sun: How Japan Created its Own Lost Generation, the journalist Michael Zielenziger likens the condition to post-traumatic stress disorder.

Remarkably, he managed to interview a number of the

shut-ins and concludes that, for many of them, the problem is that they simply do not see a way to fit in with Japanese society as it is today. They look to the older generation and simply do not want to follow the same path as they did.

Zielenziger argues that
Japanese society, with its
adherence to tradition and
aversion to self-expression and
individuality, stands in the way
of social evolution. He claims
that those afflicted individuals
interviewed for the book had
discovered independent thinking
and a sense of self that the current
Japanese environment could not
accommodate.

The withdrawal often begins when the individual is in school, where they might be bullied or unable to keep up academically.



The problem is compounded when the parents fail to recognise the symptoms and, thus, enable the child in his hermit-like behaviour. Some experts have said that middle class affluence in post-industrial Japan is a contributing factor, because it allows parents to support and feed an adult child in the home more or less indefinitely.

Furthermore, years of poor economic performance and an unstable job market make the social system, which demands years of competitive schooling for elite jobs, unappealing. For many, the process is pointless. If there is no guarantee of a job—let alone lifetime employment as used to be the case—why bother? This lack of a clear life goal makes many young people susceptible to social withdrawal.

Added to this, young people frequently face extreme pressure from parents and their peers to do well and to conform to the so-called norms dictated by society. Japanese youth are increasingly rejecting these norms, and so we see the emergence of phenomena such as "freeters", people unemployed or in parttime employment, and "parasite singles", typically young women who decline to marry, preferring to live at home with their parents. An extreme reaction to this is the complete withdrawal from society that is the hikikomori.

BCCJ ACUMEN has one copy of this book to give away. To apply, please send an email by 31 October to: editor@custom-media.com.

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People Make Places Charles Spreckley ¥6.500













PHOTOS BY GORTA YUUKI

Unique publishing project

This is a seriously beautiful book that would make a fine addition to anyone's library. It is handsomely bound, printed on fine quality paper and the photography is outstanding. The design is crisp and clean and the writing clear and to the point. So what's it all about?

The title really says it all. The publishers believe that it is people who make places. When we visit a new and unfamiliar city—especially one as big and diverse as Tokyo—we become dependent on the people around us. "It's because of this that their generosity stays with you always", the author, Charles Spreckley, writes.

What this publication sets out to do then, is to discover more about those people—"The people who between them, construct the reality of the city: its cultural spaces, fashion stores, bars and coffee shops, and especially its food culture".

The current volume has some 48 chapters, each of which introduces a place of interest and does so with reference to an individual. So, for example, the chapter on the Nezu Museum in Aoyama focuses on its head, Koichi Nezu, who talks about the recent rebuilding of the museum by the renowned architect, Kengo Kuma.

Many of the places are far less well known, however. The Little Nap Coffee Stand near Yoyogi Park is a good example. Barrista Daisuke Hamada observes that coffee shops and parks complement each other: "They are places where people congregate". This chapter, as with the others, is extremely well illustrated with some very fine photography.

But it is more than just a book. People Make Places also offers a handy mobile app, available for now on iOS devices, that is regularly updated. It is an intuitive way to explore Tokyo, whether you are planning a visit to the city or are already here and wondering

what to do at the weekend. The app has all the content of the book, plus added functions such as maps linked to Google or Apple. Each location also has a taxi card with the address and directions for cab drivers in Japanese.

What is unique about this publishing project, however, is the concierge service: a membership option. The publishers boast that this is a team of "passionate cultural explorers and experienced travel designers ready to help you discover wonderful people and places across Japan". The service is nationwide and not limited to Tokyo. And there is a very stylish website at peoplemakeplaces.com, too.



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