

AUGUST 2016

#### European Omotenashi

How foreign firms are benefitting from the tourist boom

#### Representing a small nation's unparalleled expertise

Icelandic Ambassador Hannes Heimisson

# LEADER, MENTOR, inspiration

A conversation with Lady Barbara Judge

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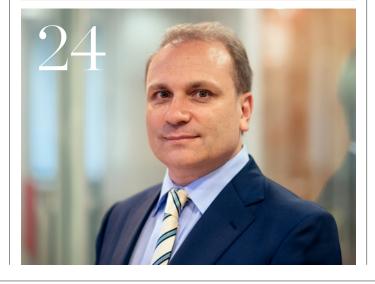
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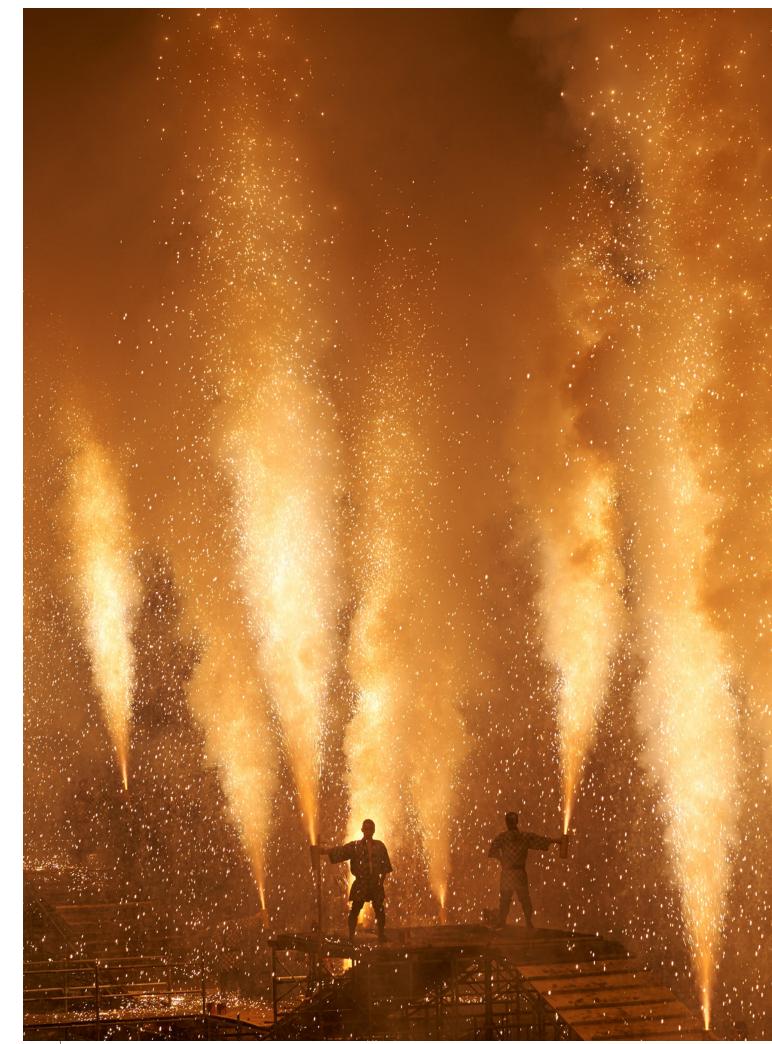
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The Mission of the European Business Council To promote an impediment-free environment for European business in Japan.

# Leader, mentor, inspiration

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By Andrew Howitt





# **First Focus**

#### Hand-held flames

For more than 400 years, Hida-Takayama in Gifu prefecture has been the site of an unusual fireworks festival. Participants, standing on platforms built over the Miyagawa river, hold tightly onto their hand-made bamboo cannons — called *tezutsu hanabi* — as the fireworks inside are lit. Columns of fire shoot high into the air and showers of sparks rain down, creating a beautiful, otherworldly scene.



Simon Scott is a Tokyo-based freelance journalist, copywriter and investigative reporter. He is a regular contributor to *The Japan Times* and to a number of international newspapers. He also edits and writes Japan travel guides for DK Travel.

• "Living in the heart of Shinjuku, one of Tokyo's liveliest tourist districts, and also working on numerous Japanbased guidebook projects, I have had the opportunity to witness up-close the boom in Japan's tourism, and arrive at some interesting insights into how the industry works and why it is flourishing."



Steven Gan established and operated the first foreign owned debt collection agency, Advance & Associates, in Tokyo from 1992–2004. Steven recently wrote the book "Making It & Breaking It in Japan – My True Story of Songs, Sins, and Solitary".

• "By the time I left Japan in 2005, all of my good friends, close business associates, and good customers knew I was gay and I did not feel unaccepted in any way. In fact, knowing full well that I was a gay man did not make an iota of difference to them."



Tom Elliott is deVere Group's international investment strategist. He produces regular videos, blogs on a wide range of topical investment issues, and regularly speaks at seminars for clients at deVere offices around the world.

• "The new Prime Minister Theresa May has said that 'Brexit means Brexit'. But what does Brexit mean? To some it means a return to a Britain of low immigration and protection for our industry from cheap imports and foreign takeovers; others see it as an opportunity to strike more free-trade deals and have a greater choice of countries from whom we can import labour."



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Carlo Carlo

Since 1999, **David Umeda** has been Senior Editor at Paradigm, who also dabbles in writing about Tokyo's numerous shopping and entertainment districts in his free time.

• "Kanto is fast catching up to, and will soon surpass, other MICE competitors in the region, such as Hong Kong and Singapore. It was reassuring to hear first-hand from general managers of major hotels just how confident the industry is about maintaining the momentum leading up to hosting the 2020 Olympics." European Business Council in Japan (EBC) The European (EU) Chamber of Commerce in Japan

The EBC is the trade policy arm of the sixteen European national chambers of commerce and business associations in Japan

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#### TEXT BY ANDREW HOWITT

# **Stunning accomplishments**

**In an enlightening** mini-documentary called *Body Builders*, produced by The Economist, Icelandic orthopedics company Össur demonstrates their sophisticated bionics technology. A subject is shown successfully using a prototype of the company's latest thought-controlled prosthetic leg, capable of being moved at both the knee and ankle by signals from the brain. The fact that this technology is helping to improve people's mobility and the quality of their lives makes every one of the company's advancements truly remarkable.

For such a small nation, Iceland can boast of many exceptional accomplishments such as this. Read about Össur, and the successes of other Icelandic companies, in our Country Spotlight on page 22. It was an honour to speak with Icelandic Ambassador Hannes Heimisson, who told *Eurobiz Japan* about some of the achievements Iceland has made in areas such as infrastructure and social equality; in particular, how it is a model for other countries in utilising its geothermal resources, and how it has championed its women over the last few decades (page 14).

We are fortunate to have Lady Barbara Judge on the cover of the August issue. She is an extremely accomplished woman with numerous titles and distinctions, and is currently serving on the board at LIXIL. In our interview on page 10, Lady Judge speaks of some of the lasting achievements of her career, as well as how she is helping to pull Japanese women up the rungs of Japan's corporate ladder.

I hope that reading these inspiring stories about how others have succeeded will encourage you to keep striving to accomplish even more in your career.

Editor-in-Chief andrew@paradigm.co.jp







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THE INTERVIEW

PHOTOS BY BENJAMIN PARKS

# LEADER, MENTOR, inspiration

A conversation with Lady Barbara Judge

Lady Barbara Judge has had a singular career, blazing the trail for women into the highest positions in business, and encouraging them to follow. Her extensive list of former and current titles — including commissioner on the US Securities and Exchange Commission, chairman of the UK Pension Protection Fund, and UK Trade and Investment business ambassador — is proof of a life of vision and determination. Now an outside director on the board at LIXIL, a major Japanese housing equipment and building materials manufacturer, Lady Judge has worked with Japanese companies throughout her career and continues to make important contributions to businesses in Japan.

## What do you believe is your greatest professional accomplishment?

The most lasting achievement that I feel I've made was that I opened the door of the Tokyo Stock Exchange to foreign members. This was when I was a commissioner of the US Securities and Exchange Commission.

I came to Tokyo, I negotiated with the stock exchange to change the rules so that foreign companies could buy seats. And at the same time, I drafted rules so that Japanese and other foreign companies could come and list their stocks on the American Stock Exchange. This was in the early '80s, the heyday of big Japanese companies coming to America. And I helped them to do that. So, I have a long history with Japan in my career.

Who have your role models been? I am known to be, and am, a great promoter of women in the work place. This is because I had the privilege of having an exceptional mother. My mother believed that women should work — in the '60s she taught a course at New York University called the World of Work for Women and she believed that women should make their own money, because money is independence; also that they had a brain and they should use it in order to enrich the world and their own lives.

She was a great inspiration to me, and actually started me on the path of working. As a little girl I was asked, "What do you want to be when you grow up?" And I said, "I want to be an actress". My mother, hearing that, said "We are not having any starving actresses in this family. If you want to act, you can act in front of the jury. Go be a lawyer." Which is how I got to be a lawyer.

To me, my role model — the person who did it right — is my mother.

#### Are you finding that some progress is being made with regard to equal treatment for women in the Japanese work place?

I know Prime Minister Abe has great ambitions for women. And I'm very supportive of this. I believe there is some progress, but everything takes time. I think he has raised the

#### Career Highlights

<u>1969</u> Graduated from New York University School of Law.

<u>1978</u> Became the youngest person to be made partner at a law firm on Wall Street, doing corporate law and securities transactions. <u>1980</u> Appointed by President Carter as a commissioner of the US Securities and Exchange Commission.

<u>1983</u> Moved to Hong Kong and became the first female director of a British merchant bank, at Samuel Montagu & Co. Japan was part of the territory she covered. <u>1993</u> Moved to England and worked as executive director for Rupert Murdoch's News International.

2004–2010 Chairman of the UK Atomic Energy Authority.

2010 Appointed chairman of the UK's Pension Protection Fund.

<u>2012</u> Became part of Tepco's Nuclear Reform Monitoring Committee.

<u>2015</u> Appointed to the board of LIXIL as their first international director.

## "I opened the door of the Tokyo Stock Exchange to foreign members"

to be cognisant of corporate governance in other countries.

I participate in a number of women's network events and women's leadership conferences. And I've been suggesting that women here find sponsors and mentors.

Basically, LIXIL was already on a good path, trying to empower its own women and to promote them. It was already looking forward and into the world, and I've been advising them to keep it up and not go backwards.

## How specifically have you been mentoring women?

Over the years, I've mentored more than 500 women. I advise various companies on women's issues, give seminars, speeches, and individual counselling to many high-potential women in big companies.

I have a good friend at the Keidanren [Japan Business Federation] who has arranged for me to give some mentoring advice to the Keidanren and various other senior-level women in Japan. I speak about my own career to the extent that they can draw some lessons from what I have learned.

Japan needs the brains of its women. The country has a declining population. It's not letting in immigrants. In my opinion, the most important thing that should be done now is to eliminate the barriers that we've discussed. Since Japan has modernised in so many other ways — it's the envy of the world in its manufacturing capability — why shouldn't it be the envy of the world in the utilisation of its own natural resource, its women?

ambitions of many companies to hire women. I know that at Tepco [Tokyo Electric Power Company], since I've been there, they've hired their first women executives. At LIXIL, they have at least four very senior women.

There's also an effort to recruit many more women at the junior level. The trick is to move them up through the levels so that they can become senior, and to give them jobs with a profit-and-loss responsibility. It's very difficult to become a senior manager in any company, in any country, if you don't have experience running a business. That is the key, I believe, for women to succeed.

However, Japan has some particularly difficult obstacles for women. The culture of the company is to work until the middle of the night. And women are also expected to look after their children, and then their in-laws as they age. That's a very big responsibility, which they are supposed to carry on their own. My opinion is that, until the Japanese government permits more immigration of care-givers, women here will have a hard time. They also won't be able to manage unless there are enough childcare facilities to allow women to leave their children and go to work.

#### How do you think the government can better help Japanese women?

My personal suggestion to the Japanese government is that they should be building childcare centres in train stations, where mothers could drop off their child on the way to work. The centres should be open 24 hours a day so women can work quite late, knowing that their child is well cared-for. Then they can pick up their child on their way home from work. If anybody can do it, the Japanese can — it just needs initiative.

## In what ways have you been advising LIXIL?

LIXIL is a company that is in the process of internationalising. At each board meeting I try to give the point of view of the international director; I try to say what it is that other companies around the world would be doing in the same situation. I have also been advising LIXIL

#### THE SELL JAPAN SERIES

# Sales Understanding

BY DR. GREG STORY PRESIDENT, DALE CARNEGIE TRAINING JAPAN



rice is always a big issue for salespeople. Sales Managers know that salespeople are very happy to drop the price, because they see this as the easy route forward with the client. Whenever there is a price increase, salespeople immediately whine about it, because they see this as making their task more difficult. They are permanently happy to discount, in order to win the business, even when their commissions at stake are tied to the size of the sale. The problem is they are totally focused on the wrong thing.

What they should be focused on is not pricing. They need to do a better job of listening to their clients, to really, deeply understand what that business needs to succeed. Rather than carrying around a bunch of screaming monkeys in their head all fighting about price, commission size, boss anger, mortgage payments, personal status, which new car, etc., they should be 100% concentrated on the client's problems, not their own.

While the way to the client's agreement is through listening, just what should salespeople be listening for? Certainly not what the client decides to talk about. The client isn't there to do all the work and run the sales meeting. They are perfectly allowed to take the sales conversation and wander around all over the place – that is their prerogative as the buyer. The salesperson's responsibility, however, is to

ask intelligent questions that will uncover the client's needs. They need to keep the sales conversation on track — find out the needs, deal with any concerns or hesitations, and then get the buyer's agreement to do business together.

Rather than going into a discussion about what price they can get the client to agree to, they would do much better to join the conversation going on in the mind of the buyer. The customer has goals and aspirations, and our job is to help them to be realised. In their success is our own success. In fact, the cost of our product or service is free to the client. It is free because it is paid out of the additional growth we bring to the client's business, rather than a subtraction from what they have today. "Inspired staff grow your business, but are you inspiring them?"

When you think in terms of paying for your contribution from the increase in the revenues or cost-savings for the client, then your whole mental framework shifts and so does the conversation. A focus on repeat orders rather than this one transaction is also a powerful mindset shift for salespeople when engaging with clients. There may be occasions where this transaction is a one-shot wonder, but really we want to build relationships with clients that last. Such relationships are totally based around the amount of trust that has been created; and thinking only about yourself, isn't going to make that trust engagement happen any time soon.

The salesperson's *kokorogamae*, or true intention, is the key. Who are they really serving — themselves or the client? The pressure for results, to make budget, and to hit the target drives salespeople to short-term thinking. Clients are not stupid; they can recognise desperation or sales push very quickly. There is a great aphorism: "Everyone loves to buy, but nobody likes to be sold". Precisely! We want to be shown the value of giving up our currently available cash flow to build a better future. We don't want to be pressured by salespeople, driven by their own selfish needs.

So, how do we get the salespeople better able to have the proper approach to clients? In lieu of no existing sales philosophy at all, salespeople will generally posit their own version, and often this is a highly selfish one. So we need to set down what is our attitude to our clients and how we do business around here. We need to

> explain we are building lifetime client value, our brand, our reputation; and we are playing the long game. Salespeople need to have this repeated to them endlessly. Sales Managers may think a couple of doses of this philosophy will do the trick — well, it won't. We have to hammer on about this all the time, to drive the idea into salespeople's minds and souls.

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 [2] greg.story@dalecarnegie.com. Q&A

# Representing a small nation's unparalleled expertise

Icelandic Ambassador to Japan Hannes Heimisson

In 1986, shortly after Presidents Ronald Reagan and Mikhail Gorbachev held their historic meeting in Reykjavik, Ambassador Hannes Heimisson joined the Icelandic foreign service. He has worked in Paris, Stockholm, and in the Icelandic government as director of the culture and media department. During the past 11 years, he has twice served as ambassador to Finland — also overseeing Estonia, Lithuania, Latvia, and the Ukraine — then as Consul General in New York. Since 2013, Ambassador Heimisson has been Iceland's ambassador to Japan, and is also responsible for five South-East Asian countries: Indonesia, the Philippines, Brunei Darussalam, Papua New Guinea and East Timor.

## How are Iceland and Japan cooperating?

One way is through UN University programmes. The headquarters of the UN University is in Tokyo and they have 13 campuses located in different countries. They are largely funded by Japan, but designed for students from developing countries. Four of their programmes are in Iceland: the UNU Fisheries Training Programme, the UNU Geothermal Training Programme, the UNU Gender Equality Programme, and the UNU Land Restoration Programme. We host these particular programmes — and the teachers in those schools are Icelanders — because we are regarded as experts in those four sectors. Students come in





## "There's a lot of demand for information, for the Icelandic viewpoint."

from many different countries, and then they return home and, hopefully, enrich their own countries with what they have learned.

#### Is Iceland passing on any of its experience in these four areas to Japan?

Iceland and Japan are among the five countries in the world with the highest geothermal potential. Indonesia is number one. But Iceland is probably among the most advanced countries in utilising this resource. And this didn't happen overnight – we threw coal away and started using our geothermal resource about 90 years ago. Today, 97% of all houses in Iceland are heated using hot geothermal water. We may be small in number, but our footprint in this particular sector are quite large.

The Japan Oil, Gas and Metals National Corporation (JOGMEC) is Japan's energy authority and part of the Ministry of Economy, Trade and Industry. JOGMEC has developed ties with the Icelandic energy authority, creating an exchange of scientists, technicians and geologists. Since I came here three years ago, we have been seeing quite an active exchange; more and more practical cooperation. It's part of my job here to promote that.

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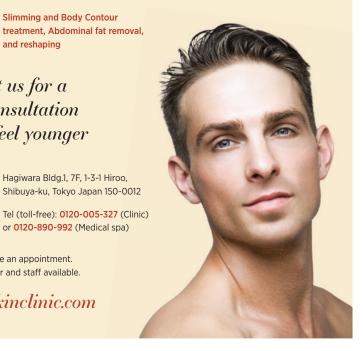
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### How does Iceland depend on Japan?

Almost all of the turbines that we use in Iceland in our geothermal power plants are made in Japan by companies such as Mitsubishi Heavy Industries, Toshiba, and Fuji Electric. The oldest turbine that is still being used in Iceland is now 45 years old. It's in a geothermal plant in northern Iceland, and it's creating energy every day. It reflects the quality of Japanese craftsmanship and their engineering skills.

In the area of fisheries, we have bought some 10 to 15 trawlers from Japanese shipyards in Hokkaido. We also have been exporting some specialised equipment to Japan used in the fisheries sector, like nets and other marine equipment. We've been learning a lot from each other.

### How would you describe ties between Iceland and Japan?

We established diplomatic relations 60 years ago, in December 1956. It was at the time when Japan was rebuilding after the Second World War, and when Iceland was opening up as a newly independent country — we became independent in 1944. We have had relatively strong political ties traditionally, but I would say that over the past five or six years we have seen a certain deepening of those political ties.

I believe that the strength of our political ties are reflected by mutual visits, and since I came here in 2013, we have had four ministerial visits. We had a historic visit in March when the foreign affairs committee of the Icelandic parliament came to Japan in an official capacity for the first time. The agenda was quite comprehensive. They were able to meet different parliamentary committees, heads of Icelandic and Japanese companies, entrepreneurs; and to visit universities.

#### Why was a gender equality seminar included as part of your 60th anniversary events?

This particular subject, the gender issue, is something that has been a priority for Prime Minister Shinzo Abe, and is an issue of political importance at the moment. The Japanese nation is looking at other countries with favourable statistics. The gender issue is something that we have been prioritising for the past 30 years, and we have made a lot of progress.

In 1980, we elected the first female president, Vigdís Finnbogadóttir. She was a single mum with a child — quite radical at that time.

For those reasons, we hosted this conference, and it was very successful. There were experts speaking on the gender issue, and it was well-attended. We were simply looking at the development of this issue in Iceland, our progress so far, and

also the mistakes we have made. We were also trying to identify the history behind the progress — the political debate, the main reasons for progress at a certain time.

#### What are some of the challenges that you face being located in Japan, but also being responsible for Icelanders in the five other countries you serve as ambassador?

It can be a challenge, but in the Icelandic foreign service, we have a network of honorary consulates. If an Icelander has an accident, or needs attention in Indonesia or the Philippines, for example, then our honorary consulates are well-connected and provide a good service.

Iceland is one of the five Nordic countries, and we collaborate closely with the others. If an Icelandic citizen runs into a difficulty in a country where Iceland doesn't have any embassy or any diplomatic representation, then they are taken care of by another Nordic country. And we are thankful for that cooperation.

This Nordic context is important for us for at the embassy in Tokyo. I meet with the other Nordic ambassadors here on a regular basis and we exchange practical information about different subjects. The Nordic countries have had this close cooperation for decades. It's deep-rooted.



#### What do you find most rewarding about your role as ambassador?

It's a privilege to be able to serve your country. There's a lot of demand for information, for the Icelandic viewpoint. We are proud of our achievements, and we know that the Japanese are genuinely interested in the different sectors we are involved in. I'm proud that people want to work with us and seek information and partnership.

As a small embassy, we are linked to all issues and try to serve everybody's interests. We have many functions, wear many hats. While serving your country, there is never a dull moment.

# Omotenashi for the surging number of tourists to Japan

# European companies are benefitting

Japan was somewhat of a late-starter when it came to marketing itself as a tourist destination.

**Back in the** '70s and '80s, when countries like Indonesia and Thailand were beginning to milk the tourist dollar for all it was worth, Japan was content with the occasional Western face mixed in with the hordes of domestic tourists packing Kyoto's mossy temples.

As late as the '90s, the pipe-dream of reigniting the country's long lagging domestic consumption and slumbering manufacturing sector was the order of the day, and tourism didn't really factor into the equation.

It wasn't until 2003 that tourism was seriously put on the government's agenda, when



FEATURE

TEXT BY SIMON SCOTT

then Prime Minister Junichiro Koizumi proposed his Visit Japan Campaign in a policy speech where he put forward his goal of turning Japan into a "tourism-based country."

Fast-forward to 2016 and that is no longer a policy goal, but a reality.

Last year saw a record 19.7 million foreign tourists visit Japan, 50% more than in 2014, and about 25% of those were from mainland China.

This year is looking even better, and according to the latest figures from the Japan National Tourism Organization (JNTO), just under half a million (498,100) Chinese tourists arrived in the month of March alone, a year-on-year increase of 47.3%.

Naturally, the hotel industry is reaping the benefits of this surge in tourist numbers, and growth is especially apparent at the luxury end of the spectrum.

## "the demand in Tokyo has been increasing since it was chosen as the host city for the 2020 Summer Olympics"

IHG ANA Hotels Group Japan CEO Hans Heijligers says that most of their hotels have seen double-digit growth since last year.

"Our hotels across the country enjoy a high room occupancy rate ... as a result of active inbound and domestic travel," he states. "Nearly 70% of guests at ANA InterContinental Tokyo, The Strings by InterContinental Tokyo and InterContinental Osaka are overseas tourists."

Heijligers believes that a range of factors is driving this increase in tourists from abroad, including more international flights and cruises to the country, the weakening of the yen, simpler tourist visa processes for Asian travellers, and a new, more appealing dutyfree system.

"Attractions such as Universal Studios Japan in Osaka and Tokyo Disneyland have also boosted visitor arrivals over the past few years," he says.

To better accommodate the growing number of tourists from China, IHG ANA Hotels launched a worldwide consumer communication plan called the Zhou Dao, or China Ready, Programme and this is already in place in Tokyo and Osaka. The programme provides services such as Chinese-speaking staff at the front desk or via 24/7 phone support and Chinese channels on in-room TVs.

The Hyatt Group's Andaz Toranomon Hills is also benefitting from the growing



number of overseas visitors, and, similarly, are also now providing services that specifically cater to the Chinese traveller.

"There has been an increase in connoisseurs of high-end hospitality from all over the world, and especially from the Chinese market," says former general manager Arnaud de Saint-Exupéry, who recently left Andaz Tokyo to take up the position of Area Vice President for the Hyatt Group in the UK and Ireland. "They are not only visiting for shopping and sightseeing, but also for truly local experiences."

De Saint-Exupéry has observed that although Japan has been an attractive tourist destination for a while, the demand in Tokyo has been increasing since it was chosen as the host city for the 2020 Summer Olympics back in September 2013.

"It has definitely had a [clear] impact, increasing our traffic of overseas business and leisure travellers alike," he adds.

De Saint-Exupéry believes that related developments in the city centre spurred by the Olympics will have a positive impact for Andaz

because of its location in Toranomon.

"A new airport connection, and a new Toranomon station on the Hibiya line near our hotel will definitely provide better access and a more convenient experience for overseas and local guests alike," he says.

Although there have been strong government initiatives to increase foreign tourism, De Saint-Exupéry sees there is still room for improvement in terms of building a more foreigner-friendly environment, such as offering more free Wi-Fi in public areas, improving language-capabilities and more universal signage, and making it easier to pay by credit cards issued by foreign banks.

"More partnership between the public and private sectors will be required," he adds.

Airlines are also seeing increasing numbers of travellers from Europe, although this remains more modest in comparison to the influx of visitors from China. A total of 1,244,970 Europeans arrived in Japan in "a range of factors are driving this increase in tourists from abroad"

"there is still room for improvement in terms of building a more foreigner-friendly environment"

19.7m

foreign tourists visited Japan in 2015, 50% more than in 2014, and about 25% of those were Chinese.



2015, an 18.7% increase on the previous year, according to JNTO.

This upsurge is being driven by a "growing interest in Japan among Europeans," says Donald Bunkenburg, general manager of Deutsche Lufthansa in Japan. "We are seeing increases of an average of 15% to 20% percent more, particularly with tourist travellers," observes Bunkenburg.

This positive trend is particularly strong among travellers from

northern and western European countries, such as Switzerland and Germany. Bunkenburg believes this is due to changing perceptions of the cost of travelling in Japan.

"It took a long time for people in Europe to realise Japan was actually not as expensive as its reputation," he says. "For years everybody just thought: "Things are too expensive there'."

The increased international press coverage of the run-up to the Olympics and the growing amount of attention being given to Japan's high-quality cuisine are also helping to make the country a more desirable destination for European travellers, according to Bunkenburg.

In order to tap into this growing interest in Japan, Lufthansa Japan ran a promotional campaign in conjunction with the Nagoya Tourist Board called "Nagoya – blooming lovely", in late February of this year.

An e-newsletter was sent out to more than one million of their subscribers — primarily frequent flyers — in several European countries promoting Nagoya as a tourist destination in the lead-up to spring and the cherry blossom season.

Bunkenburg notes that they chose to focus on Nagoya because, among Europeans, it is the least well-known destination in Japan Lufthansa flies to.

As the 2020 Olympics get closer by the day, things can only get better for Japan's already booming tourist industry. The real test will take place when the Olympic flame is finally extinguished, to see if Japan can

> hold on to the prosperity the Games bring. With plenty of *omotenashi* — Japanese hospitality — to go around, no doubt it will.

TEXT BY GEOFF BOTTING

# **Tax Committee**

A less taxing work life

Tax policy isn't just about numbers. Nor is it solely about money, according to Hans-Peter Musahl, chairman of the EBC Tax Committee.

**The policies, he** says, can have a profound impact on the way we work, live and raise our families.

Take the issue of the tax-return filing period, one of the committee's recommendations. The group wants the government to extend the filing period from its current two or three months after the start of the calendar year to up to a year.

Why? A more flexible timetable would make all those

involved — including people working in the accounting departments of companies, as well as tax-service providers — happier, healthier and more productive, according to the chairman.

"Anything that makes the work life of the people in the industry better, which improves the quality of their work, will enhance the efficiency of tax accounting," says Musahl, who is also a partner at the Tokyo offices of Ernst & Young Tax.

Japan's compressed tax season tends to be frenzied, when stress levels surge among workers rushing to meet the deadline. Reform could spread out the duties, giving workers more time outside the office, in line with Prime Minister Shinzo Abe's pledge to create a more inclusive society.

Two other issues topping the Tax Committee's agenda are changes to inheritance tax regulations, and deductions to performance-linked bonuses for directors.

As for the former, the chairman again cites lifestyle implications that go beyond numbers and monetary sums. The worry is that a set of changes to the law in 2013 is discouraging people from moving to Japan to work.

"It's not only foreign companies but also Japanese ones that feel it's difficult to bring in people, particularly senior, experienced ones," Musahl says.

A major problem is how the new rules could affect overseas family members

#### Advocacy issues

#### Lengthening tax-return filing period

The government should extend the current tax-return filing period from two or three months up to one year.

#### Individual income taxation

Residency criteria should be reformed so that inheritance taxes are not applicable to non-Japanese who have been working in the country for only short periods.

#### Directors' bonuses

Japanese corporate tax law should make it possible for most foreign-affiliated companies to deduct performance-based directors' bonuses. amily members of people who are taxpayers in Japan. The inheritance tax reform extended the liability to heirs, such as adult children who are non-residents of Japan and receive assets located outside the country.

The International **Bankers** Association of Japan has issued a booklet condemning the rule, citing the hypothetical case of a British businessman who dies two months after arriving in Japan. His family, who has chosen to stay in Britain, is hit with a massive inheritance tax bill from Tokyo, forcing them to sell the family home in London.

According to the booklet, the 2013 amendment "has triggered serious concerns amongst foreigners who are currently working in Japan but also among those who are considering coming to Japan either to work or to bring business and foreign direct investment."

From a broader perspective, the rules run counter to another Abe initiative: to turn Tokyo into a global financial capital.

Musahl says: "In the corporate world, people are often sent here, and some are not aware of the kind of liabilities they are in for."

A new issue for the committee, planned to be listed in the 2016 EBC white paper, is about executive bonuses. As it stands, such remuneration for directors, based on performance, is not tax deductible for most foreign-affiliated companies in Japan, according to Musahl.

This is out of step with international practices. Most countries allow deductions for payments deemed reasonable and for legitimate business purposes.

Indeed, making Japanese domestic tax policies fair, consistent and in line with international norms has long been the committee's central challenge. Bad policies can make life a struggle, not just for corporations but for individuals and households as well.

"We all want to make the world a better place to work," Musahl says. TEXT BY ANDREW HOWITT

# Iceland

# Sustainable practices, astounding achievements

Sustainability is at the heart of Icelandic society. Almost 100% of the nation's electricity comes from renewable sources such as wind and water. With hundreds of volcanoes, the country has also tapped into the geothermal energy underground, used for 25% of its total power consumption. Known as the land of fire and ice, Iceland is deeply invested in preserving its natural resources, and ranks as one of the world's greenest economies. he biggest companies in Iceland's large fisheries industry put a high priority on sustainability. With a more than 70-year history, Icelandic Group, owned by Brim Seafood, has insisted on having transparent supply chains that ensure all of its high-quality products are completely traceable from the ocean to the plate. Its subsidiary, Icelandic Japan, is the largest importer of Icelandic seafood products to Japan — predominantly capelin, redfish and Greenland halibut.

In the business of protecting Icelanders against the harsh cold is 66° NORTH. First designed in 1926 as clothing for fishermen to wear in the frigid weather at sea, the company has evolved to become one of the



22

most popular clothing brands in Iceland. 66° NORTH started expanding overseas in 2004, and its distribution rights for Japan were bought by Japanese-owned Cross Alliance.

With a population of only 330,000 people - one of the smallest of any European country - Iceland depends on innovative businesses for a sustainable economy. Össur, headquartered in Reykjavik, is one such innovator. It has assimilated cutting-edge technology into prosthetics to help preserve and enhance people's mobility. The company's astonishing Symbionic Leg is the world's first complete bionic leg that connects the brain to a prosthetic limb, allowing a user's thoughts to control knee and ankle joints, and assisting them not only in walking, but in smoothly manoeuvring stairs and slopes.

Another Icelandic innovator is cosmetics company Bioeffect. Its EGF Serum products contain a restorative substance called epidermal growth factor found in specially grown barley plants, and have proven anti-ageing properties. Bioeffect has won numerous international awards for its products' startling effectiveness.

Tourism has become an important part of Iceland's economy in recent years. The nation's leading airline, Icelandair, emphasises sustainability and has imple-

## "... one of the world's greenest economies"

mented policies that aim to minimise the carrier's environmental impact. In addition to sponsoring events and charities, the airline has started

its Stopover Buddy Scheme to promote awareness of all that Iceland has to offer - such as hot springs, outdoor activities, cuisine, and Aurora Borealis. Visitors on an extended layover can request to be taken around to some of Iceland's sites by employees of the airline who have volunteered to take part in the scheme.

In December of this year, Iceland and Japan will be celebrating their 60th anniversary of diplomatic relations.

"Leading up to the anniversary, the Icelandic Chamber of Commerce in Japan [ISCCJ], together with the embassy, is planning several events," says Halldór Ólafssson, secretary general of the ISCCJ. "These will be focused on increased women's participation in the workforce, tourism, and pharmaceuticals, to name a few."

Along with the support of the ISCCJ, the innovation and determination of Icelandic businesses will guarantee that Iceland has a strong and enduring presence in Japan. 🔵

¥10.8 billion

#### Trade with Japan

Imports from Japan: ¥10.4 billion Exports to Japan:

SOURCE STATISTICS ICELAND; FREE ON BOARD FIGURES





#### Area

103.000 km<sup>2</sup>. Coastline: 4.970km.

#### Climate

Temperate; moderated by the North Atlantic Current; mild, windy winters and damp, cool summers.

Maior cities Reykjavík (capital), Akureyri, Keflavik, Isafjordur and Egilsstadir.

#### Population

331,918 (July 2015 estimate). Urban population: 94.1% of total population (2015). 40.09% 25-54 years (2015 estimate).

Natural resources Fish, hydropower, geothermal power and diatomite.



www.promoteiceland.is



www.vikingtravel.jp

TEXT BY ANDREW HOWITT

EBC PERSONALITY

PHOTO BY KAGEAKI SMITH

# Fernando Iglesias

#### Striking designs

"Uruguay is a unique country," says Fernando Iglesias, president of Clestra Hauserman Japan. "It's one of the smallest in South America. The population is only 3.4 million — some neighbourhoods in Tokyo have more people than that."

**Iglesias was born** and raised in Montevideo, the capital of Uruguay, on the Atlantic Ocean. The cultural diversity of the country is one of its many remarkable characteristics.

"I had a very multicultural upbringing," he recalls. "It's a country where we are all immigrants. I'd say 90% are of European origin — Italian, Spanish, French, British, German. All those different cultures and ways of life get mixed together."

On indices comparing South American countries, Uruguay ranks very high in areas such as democracy, prosperity, lack of corruption and freedom of the press.

"It's a country with very advanced social laws," Iglesias observes. "There are a lot of regulations on the protection of workers' rights. And education is free; they have made it a pivotal point of society." Iglesias studied fine arts in Uruguay with a focus on sculpture and design, but his father was worried about how he could make a living as an artist.

"He suggested a good compromise," Iglesias explains. "He told me architecture would allow me to use my abilities in spatial design, so that's what I did."

In 1995, Iglesias came to Japan on a Monbusho scholarship to study building design. He was mentored by Minoru Takeyama, a renowned architect who designed iconic landmarks such as the 109 building in Shibuya, and the Ichibankan and Niban-kan buildings in Shinjuku.

"In the 1990s, Western architecture, from my point of view, was stagnant," Iglesias says. "But when you looked at Japan, it was exploding with new architecture. Designers and architects were doing radical things everywhere and developing strong philosophies around architecture."

Some of Iglesias' influences include post-modern Japanese architects and sculptors such as Kisho Kurokawa, Arata Isozaki, Isamu Noguchi and Yoshio Taniguchi, whose work he describes as "very bare and exposed."

After he finished a PhD on urban planning policies, Iglesias started working in Japan as an architect.

#### Do you like natto?

Time spent working in Japan: 20 years, 16 of those working. Career regret (if any): To not have made more time to mentor people. Favourite saying: It can be done, we just need energy and to put our heads together. Favourite book: One Hundred Years of Solitude by Gabriel Garcia Marquez. I've read it at least 10 times. Cannot live without: Good sushi, good wine and good cheese.

#### Lesson learned in Japan:

Listen first to all opinions, even if you don't agree with them. Learn to bite your tongue. And look at things from different angles. Secret of success in business: First, something is impossible, then it's difficult, and in the end it's doable. Do the impossible — and don't accept no for an answer. Favourite place to dine: CICADA in Omotesando. They serve Mediterranean food. Do you like natto?: No, I don't. My wife and my son like it and that's enough for one family.

"I worked through my junior years in Japan at some very interesting firms," he relates. "There were a lot of challenging and innovative projects, and I learned so much. I miss sitting at the design table with a bunch of sketches and working on bringing them to life."

For the last five years he has been CEO of Clestra Hauserman. The company was founded in 1913 in the US, but has been French-owned since the early 1960s. It designs, manufactures and installs glass and steel partitions, and has done projects for many of the world's Fortune 500 companies.

"I believe we are the only global company in this niche industry," Iglesias notes. "Since



our mounted partitions can be reutilised — even from one building to another — the lifespan of the product is very long."

Clestra Hauserman has been in Japan for 25 years, and Iglesias believes that his company's innovative designs have helped shape the Japanese office design market.

"After we came, Japanese companies started imitating us," he states. "Doubleglazed partitions, for example, didn't exist here until we introduced them."

Iglesias is also a collector of cultural artefacts, an interest closely related to his

"when you looked at Japan, it was exploding with new architecture" appreciation of sculpture and good design. In addition to vintage motorcycles and Japanese antiques, such as *hanga* prints and *kakejiku* hanging scrolls, he collects tribal masks.

"I started when I was 17 or so," Iglesias says. "I have several dozen now. And they're from all over the world — Papua New Guinea, Borneo, western Africa."

Instead of buying masks from a shop, he prefers to get them directly from the craftspeople who make them. "I like to start a conversation, see how they sculpt it, learn what they represent," he explains. "Then there's real value in it for me."

Unlike many of the people in countries where they are used in rituals, Iglesias doesn't believe that there are supernatural powers in his masks. However, he does feel that they are visually and culturally compelling.

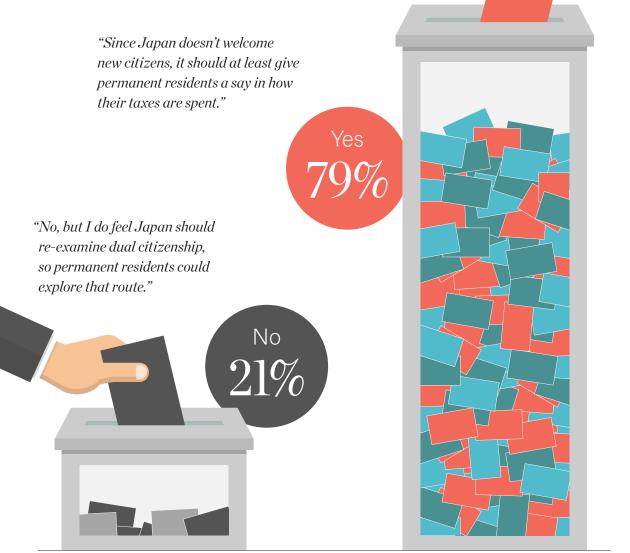
"Sometimes they are not elaborate, they have no colour," Iglesias says. "But their simplicity actually makes them more striking."

EUROBIZ POLL

#### PERMANENT RESIDENT VOTE

July saw two major elections in Japan — one for the Upper House and the other to choose the new governor of Tokyo. Since many permanent residents have been paying taxes into the system for years, they believe they should be awarded the right to vote.

# Do you think permanent residents should be allowed to vote in Japan?



To vote in the next Eurobiz Poll, find details in our Eurobiz Japan newsletter. Subscribe by visiting 🛽 eurobiz.jp.

# Britain after Brexit

Investor returns will follow political decisions

The 23rd June vote by the British public to take the UK out of the EU has resulted in a fork in the road for British politics. The future success of the economy will be determined by which direction is chosen by the new Prime Minister, Theresa May. This, in turn, will affect investment returns in UK assets.

**One direction has** Britain continuing to profitably engage with the EU on broadly similar terms to its current EU membership, albeit with minor adjustments, or perhaps as a member of the European Economic Area (EEA). This could be called Brexit Lite.

German Chancellor Angela Merkel has commented that should such an option be taken by the UK, it would necessitate continuing to accept the principle of freedom of movement for workers, and paying into the EU budget.

In such a scenario, the UK economy could be expected to resume growth at a long-term average rate of around 2% a year, after a short downturn caused by post-referendum uncertainty.

However, much of the popular support for the Leave campaign came from people who feel threatened by immigration from the EU — that is, by the EU's single market — and resent having to pay for this through contributions to the EU budget.

As one Leave voter commented to a *Financial Times* reporter — while discussing a new building project in his home town — in the run-up to the referendum: "Why are they using Polish workers to put up build-ings made from Portuguese steel?"

Therefore, there will be immense pressure on the new UK government to engage in what can be called Brexit Strong.

This means Britain would turn its back on the EU and the single market and, if necessary, fall back on WTO trade tariffs in its trade with EU members. The UK could then set caps on EU immigration, stop its payments into the EU budget, as well as limit imports of items such as Portuguese steel.

But this is a risky choice. Around half of the UK's exports go to the EU, and immigration from the EU is widely acknowledged to have been a key driver of economic growth in Britain in recent decades. The imposition of tariffs would introduce inefficiencies and weaken the UK economy's competitiveness.

There is a libertarian wing amongst prominent members of the Leave campaign that is at odds with the protectionist, anti-immigration views of most of the people who voted for Brexit. They have promised quick and advantageous trade deals can be made with the US, China, and other non-EU countries.

However, quick trade deals are never advantageous. Since they would represent the trend towards the very globalisation that many Leave voters dislike, they would not be popular amongst the bulk of Leave supporters.

In the Brexit Strong scenario, the long-term growth rate of the UK can be expected to be significantly lower than Brexit Lite scenario, with an initial downturn in the economy becoming a recession as trade with the EU falls and is not replaced by increased exports elsewhere for some years to come.

In addition, there is a real risk of the UK breaking up under the Brexit Strong scenario, with another independence referendum in Scotland likely. Nationalist politicians in Northern Ireland are also demanding a referendum, in an attempt to have Ulster united with the Irish Republic.

Either country's separation from the UK, having a dis-united kingdom, would create additional economic uncertainty.

If the first scenario looks likely to materialise over the coming months, global investors may wish to take advantage



of the post-referendum fall in asset prices and go long on sterling and other financial assets, such as small and midcap stocks.

The second scenario is bleak, and will come with further weakness in sterling and financial assets. ●

Tom Elliott is International Investment Strategist at the deVere Group

# The best young chef in Japan

S.Pellegrino Young Chef 2016 Japan semi-finals

Food is a serious business. The kitchen at Le Cordon Bleu Tokyo cooking school, host of the S.Pellegrino Young Chef 2016 competition, is full of on-lookers journalists, photographers, organisers and judges — but it is almost completely silent as the chefs concentrate intently on preparing their dishes. Kyoto, is spreading cream cheese on *saikyo-yaki* salmon, part of her "Fragrance – Traditional Garden." A third contestant, Seira Furuya of Gakushikaikan, is carefully grilling duck for her dish, "The Four Seasons in Japan."

"The pressure is intense," was how Furuya described the experience. "Tve never been in a situation where so many people were watching me. Fifty minutes went by very quickly."

The three judges' cool reactions and tough questions added to the drama of the competition. Yoshihiro Narisawa, Seiji Yamamoto, and Luca Fantin are all highly respected chefs and restaurant owners in Japan, as well as experts on all things gastronomical. The different dishes were evaluated based on the five



(From left to right) Seiji Yamamoto, Yoshihiro Narisawa, winning chef Seira Furuya, and Luca Fantin

**Ten semi-finalists**, 30 years old or younger, are vying to become the representative of Japan at the mid-October finals in Milan. The winner will compete against chefs from 19 regions for the title of the world's best young chef.

One of the semi-finalists, Kenta Shibahara, owner of the restaurant iCas Storia, is raking rice bran to make it look like the sand of Zen rock gardens for his dish "KARESANSUI – The Taste of Kyoto". Another, Sawako Noguchi, a chef at the Grand Prince Hotel criteria of the Young Chef competition: ingredients, technique, skill, beauty and message.

The judges put particular emphasis on the last point. As each of the competitors presented their dish to the panel, they were asked questions such as "What do you want to say with the first mouthful?" Taste was not enough; the judges wanted to see that there had been a clear thought process behind each choice the chefs had made.

Toshifumi Kurihara, business manager of Nestlé Japan's Water Business Group, explained that their S.Pellegrino was sponsoring this global event to promote the restaurant industry around the world.

"It's important to foster the talent of young chefs," Kurihara added. "That's why we launched this competition last year."

After long deliberation, the judges announced Seira Furuya's duck dish as the winner. She was clearly surprised when her name was called.

"It will be great to have the chance to work together with the judge Yoshihiro Narisawa to make an even better dish," said Furuya after receiving the award. "Now the real work starts."

The judges wrote in a joint statement following the event that "[Seira Furuya] was selfassured and demonstrated a passion for food, as well as having a receptive attitude, which are the most important qualities to enable a chef to realise their full potential."

In an interesting twist, this year's representative of France is Japanese. Shintaro Awa will be taking his signature dish, "Air Cured Mackerel with Potatoes", to Milan to compete against Furuya.

"The judges said that the techniques I used had really brought out the taste of the ingredients, and that I had made an impressive and a genuinely flavourful dish," Awa explained.

Awa's attention is entirely focused on the finals.

"The panel of judges will be very multicultural," he added, "so I will need to have a broader perspective in considering how I can make my dish even better." TEXT BY TIM HORNYAK

# Why your luggage needs to get smart

Never lose track of your bags again

Air travel these days can be miserable. According to industry surveys, in 2015 the average delay per flight rose to 10.4 minutes, up from 9.3 minutes the year before. On top of that, airlines mishandled 24 million pieces of luggage, down only slightly from 2003.

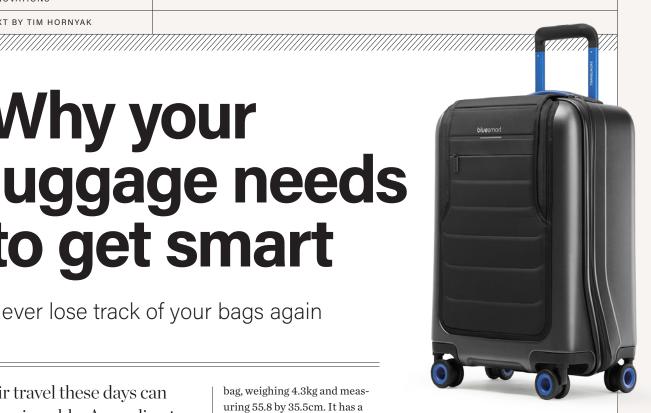
Many travellers choose not to check their bags to save time and money, and also to avoid lost luggage. Others are going a step further with "smart suitcases." Designed with high-tech features to ease the pain of travelling, the Bluesmart One was the first of its kind when it debuted in 2014. On the surface, it's a fairly ordinary looking carry-on



bag, weighing 4.3kg and measuring 55.8 by 35.5cm. It has a scratch-resistant polycarbonate shell, a TSA-approved lock, an interior capacity of 34 litres, and an outer compartment that allows for easy retrieval of laptops with screens measuring up to 15 inches.

All of those features are handy enough. Under the hood, however, Bluesmart One gets quite interesting. It comes with location tracking thanks to built-in 3G and GPS modules, so you can pinpoint it with your smartphone, reducing the odds of losing it in case you do want to check it or it gets stolen. Right by its retractable handle are two USB ports wired to a 10,400 mAh battery, so you can charge your electronic devices; a smartphone could be recharged five or six times. Another feature is a built-in scale, allowing users to know how much it weighs just by picking it up - helpful for those concerned about the possibility of extra baggage fees.

There's an app for it, of course. Available for iOS and Android, the app can lock and unlock the Bluesmart One via Bluetooth, as well as show its location, weight and remaining battery charge.



At \$449, the Bluesmart One doesn't come cheap, but at least the mobile subscription fees are included in the price. And if you think the whole concept of an electronic, app-controlled suitcase sounds a little ridiculous, thousands would disagree. Before its launch, a prototype for the Bluesmart racked up \$2.2 million in funding from nearly 11,000 backers on crowdfunding site Indiegogo. Since its launch, 65% of the more than 500 reviews on Amazon. com have given the product five stars; critical reviewers mainly complained that there was not enough space for clothing.

If you often find your electronics running out of power while you're on the go and you can't bear the thought of losing your luggage, the Bluesmart One can be a useful piece of office infrastructure. And after all, as everything is getting connected to the internet these days amid the IoT boom, why shouldn't something that holds your valuables be connected, too?







#### MICE BUSINESS IN JAPAN

# GLOBAL STAGE

Location is the primary consideration for those wanting to hold Meetings, Incentives, Conferences and Exhibitions; and venues in Japan are benefitting from this booming global MICE industry.

TEXT BY DAVID UMEDA

"I believe there are three factors in which Japan makes a strong appeal to the MICE market: safety, accessibility, and high quality of service and products," points out Sonja Vodusek, general manager at **The Peninsula Tokyo**. "Also, the unique beauty of Japanese culture, with its harmonious combination — and balance — of new built on old traditions, makes Japan an attractive destination."

Hans Heijligers, CEO of **IHG ANA Hotels Group Japan**, states that Japan ranked No. 7 in the world for number of international conferences in 2015. "Tokyo, Osaka and other major cities across Japan are considered safe and rich in cultural heritage, with outstanding dining options and quality service."

The venues' locations within Japan are also a major deciding factor for event planners.

Charles D. Besford, executive vice-president of **Milial Resort Hotels**, explains, "We emphasise our proximity to Tokyo Disneyland and Tokyo DisneySea, and convenience to both Narita and





"Japan ranked No. 7 in the world for number of international conferences in 2015" Haneda airports. We try and cooperate with the Chiba Convention Bureau."

The next most often cited factor that these venues boast of is how they provide one-stop MICE services and facilities.

For example, The Peninsula Tokyo's two ballrooms, six function rooms, meeting consultants, and chefs allow the hotel to offer seamless service to ensure convenience, professional experience and efficiency across all event types and sizes. And **The Hotel Chinzanso Tokyo** believes its 36 meeting and banquet rooms in various sizes and ambiences is "possibly the city's most extensive meeting and banquet facilities."

Even though this is already a big industry throughout Japan, the Japanese market still has great potential to earn more MICE business.

The **Conrad Tokyo**'s growth strategy highlights huge potential. "Various measures are being rolled out to raise the profile of Japan as one of the world's most hospitable cities," explains Kazuko Ogawa, director of business development, "featuring a unique culture, technology and nature — together with the opportunity for interaction with both the business and industrial communities."

Metropolitan and national governments are getting involved, and helping to promote Japan as a destination for MICE events.

"There is a strong sense of community here," observes Steve Dewire, general manager of **The Grand Hyatt Tokyo**. "Businesses work together with government and other organisations to achieve a common goal of attracting MICE business, especially with the Olympics coming up in 2020."

**BMW Japan** selected Odaiba Tokyo Bay waterfront as their new 27,000m<sup>2</sup> showroom location, where the 2020 Tokyo Olympic Games will be held, because of the excellent accessibility from the downtown areas of Tokyo.

"We will effectively utilise the regional promotion activities where the Tokyo government strives to attract more consumers," points out Masayuki Ijuin, director of BMW Tokyo/Osaka Project, at BMW Group Japan.

According to Tetsu Motomura, general manager of the Hotel Chinzanso Tokyo, "the Tokyo Metropolitan Government especially has been pushing hard to make Tokyo more desirable and special as a MICE destination. More landmarks are available now as MICE venues, such as Kanda Shrine and Tokyo National Museum, which is also feeding the hospitality catering business."

However, not everyone agrees that government is doing enough.

Marcus Bauder, general manager of **Shangri-**La Hotel, Tokyo, explains that some major MICE destinations outside Japan receive support from government and tourism associations in promoting the destination as an ideal MICE venue. "We feel that this support in many instances does not

# ALWAYS STRIVING FOR SOMETHING NEW

Masatoshi Hosoyama, General Manager



Osaka 大阪城が、お庭です Castle before your

## HOTEL **NEW OTANI OSAKA**

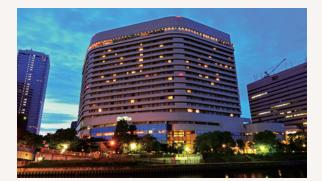
Conveniently located in the central district, close to large conference venues with easy access to Kyoto, Kobe and Nara; yet, just steps away from the majestic Osaka Castle.

Guestrooms are smartly appointed, preserving the dignity of Osaka Castle that can be viewed from the windows. Our commitment to refined beauty is also reflected in our restaurants and bars. We always aim to deliver an extraordinary experience-and exceed such expectations in celebration of our 30th anniversary.

We hope your stay with us will leave you with an exceptional memory of Japan.

#### Hotel New Otani Osaka

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exist in Japan, or is very minimal," he laments. "Each hotel and DMC takes its own initiatives in promoting its products and services, but a lot more needs to be done to promote Japan as a MICE destination."

The **Hotel New Otani Osaka** keeps its focus squarely on the customer.

"It is always best to think that 'What I do will delight the customer.' We emphasise attentive service in hospitality — dreaming our customers will be saying: 'A good place, as we expected," states Masatoshi Hosoyama, general manager. "We encourage staying at the Hotel New Otani Osaka, emphasising our 30 years of experience, along with lots of smiles."

MICE greatly benefits the venues that host events by helping to secure steady occupancy, and providing added banquet revenue from the spaces. Besides being a major source of revenue, MICE bookings allow venues to connect with new potential customers.

The Conrad Tokyo views MICE as enhancing "international brand recognition and building a global network with people."

Because MICE-related bookings can be made as early as three years before the events, Hotel Chinzanso Tokyo benefits by being able to project the revenues well in advance — and have enough time to prepare for any special custom-made arrangements.

MICE is a big and important field at the **Keio Plaza Hotel**. "It is where we can give full play to our abilities, using the full specs of our large and varied facilities, talented staff and service knowledge," explains Junko Saito, deputy director of Marketing PR. "Sports-related MICE, for example, is a great opportunity for us to show our many abilities, including a flexibility that corresponds to each athlete's dietary restrictions, by tapping our great chefs' expertise."

Having a strong base of operations contributes to the success of MICE-related businesses.



- 01 The Peninsula Tokyo's Peninsula Moments Lobby
- 62 Keio Plaza Hotel's Concord Ballroom63 The Hotel Chinzanso Tokyo and
- garden
- 04 Shangri-La Hotel's Conway Room 05 Conrad Tokyo's Bay View room
- 06 Steve Dewire, general manager of
- The Grand Hyatt Tokyo

"Oakwood has been in Japan for the past 16 years; and our 10th property, the Oakwood Apartments Minami Azabu, opened on 25 August," points out Martin Fluck, director of operations, North Asia, Oakwood Asia Pacific. "With our Premier, Residence, and Apartment brands of serviced apartments, in different prime locations in Tokyo, Oakwood has a home and lifestyle to fit the particular needs of executives."

Each MICE venue also has its own individual strengths.

The Peninsula Hotels have a 150-year legacy. "This enables our guests to experience the distinctive heritage and traditions in the highest standards of hospitality and luxury," says Vodusek, "through efficient, elegant, engaging and experiential service; and the finest amenities and comfort born from craftsmanship in design."

The BMW Group decided to establish their creative, new brand-experience premium sales outlet — with cosy atmosphere and practical functions — in the centre of Tokyo as a major showroom of BMW Tokyo and their BMW/MINI brand.

"This will draw a sharp distinction from the competition," states ljuin. "We will carry out eye-opening events to attract customers and to provide brand experience throughout the year."

The Keio Plaza Hotel explains that the history of MICE in Japan began with its founding in 1971. It takes pride in its uniqueness of "being international and domestic at the same time — welcoming guests from more than 100 countries, while offering opportunities to experience the beauty of Japanese culture on its premises."

The Grand Hyatt has a system which allows the hotel access to valuable information about each of their guests and past events that Hyatt hotels have hosted around the world. "This information is shared globally to achieve a service standard and brand consistency at all Hyatt properties," explains Dewire.

The Conrad Tokyo holds Satisfaction and Loyalty Tracker surveys that reveal what worked and what didn't during a guest's stay. "They help identify areas for improvement, motivate our team staff to learn what drives guest loyalty," emphasises Ogawa.

The Shangri-La Hotel, Tokyo's Events Collection program "is a key tool to ensure a consistent experience across the brand," Bauder says. "However, the brand standards still leave sufficient room for every property to offer unique service experiences. In our case, we offer smaller and very exclusive MICE events with highly personalised service."

Venues in Japan and MICE continue to work hand in hand.

# THE CAPITOL HOTEL TOKYU

### Embrace nature's changing seasons ... in a tranquil oasis so near, yet so far, from the hustle and bustle of the city

Located in the centre of downtown Tokyo, The Capitol Hotel Tokyu offers direct access to the city's subway system, yet is also a calm and relaxing oasis of greenery and landscaped gardens near historic 500-yearold Hie Shrine. The 251 spacious guest rooms include 13 suites; and the hotel features three restaurants, a bar and a pastry boutique. The five venues for weddings, parties, seminars and business meetings include the 540m<sup>2</sup> Ho' oh room and Foyer for spacious banquets and large-scale gatherings; the midsized Kiri banquet space; and three function rooms. Rounding out a full-service menu are the two-floor, state-of-the-art fitness facilities with a 20m indoor swimming pool, gym, Jacuzzi, and the Carju Rajah TIADO spa of pampering and treatments.







#### JAPAN TOUCH

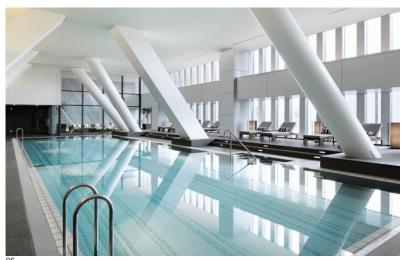
The aforementioned amenities are delivered with The Capitol Hotel Tokyu's signature service style of sophisticated, traditional Japanese hospitality — nurturing the perfect haven for relaxation.

Japanese Restaurant Suiren epitomises the hotel's theme of "Japanese Traditional Hospitality", featuring the best in Japanese cuisine, from *teppan-yaki* and sushi to the fine art of *Kaiseki*. Suiren's head chef Minoru Tsuge is known for his beautifully delicate technique. Born in Nagasaki, chef Tsuge ventured to the ancient capital city of Kyoto to discover his culinary skills and hone them over the next decade. He has filled the head chef position at various Japanese fine-dining restaurants in Kyoto, Germany, as well as Tokyo.











- 01 Lobby on the third floor
- 02 Suiren's head chef Minoru Tsuge 03 Kaiseki at Suiren
- 03 Kaiseki at 04 Sukiyaki
- 05 Deluxe King room
- 06 20-metre indoor swimming pool
- 07 Japanese restaurant Suiren

THE CAPITOL HOTEL TOKYU

#### **GUEST ROOMS AND SUITES**

Accommodations on the 18-26F include the spacious and luxurious 45m<sup>2</sup> Deluxe King/Hollywood Twin rooms in contemporary Japanese style, and *shoji* paper screen room dividers that open to reveal magnificent vistas; 57m<sup>2</sup> Premier Corner Twin/King corner rooms with breathtaking 270-degree views; and the 63m<sup>2</sup> Premier King rooms and their large bathroom and elegant Japanese *shoji* screens.

The corner 102m<sup>2</sup> Executive Suites, 27–29F, offer penthouse-style living and exceptional views over Tokyo. On the 5F, the 108–109m<sup>2</sup> Garden Suites overlook the historic Hie Shrine and the gardens, while the 180m<sup>2</sup> Sanno Suite ranks among the most peaceful and relaxing in downtown Tokyo. The 218m<sup>2</sup> Capital Suite, 29F, has a separate living room, bedroom, dining room and study, as well as panoramic views over the National Diet Building, historic Imperial Palace, and the dramatic skyline of Marunouchi and Ginza.

The 45m<sup>2</sup> Club Deluxe King/57m<sup>2</sup> Club Premier Corner Twin rooms, 27–29F, deliver a blend of Japanese design and modern interiors, along with panoramic views of Tokyo. The Club Floors have a Library Lounge serving snacks, coffee and tea; light breakfast; evening cocktails and canapés; and hotel sweets at designated hours, between 07:00 and 21:00.

The Capitol Hotel Tokyu is welcoming more and more guests who value being close to all that Tokyo has to offer, yet also appreciate the perfect haven away from the hustle and bustle.

#### INDUSTRY PERSPECTIVES

# BEER SUPRENACC A lot to cheer about

TEXT BY DAVID UMEDA

Beer gardens, pubs and breweries, and other supporting industries have reason to celebrate. Avid drinkers in Japan invariably reach for their beer mugs to cheer on their favourite team, toast to the milestones of colleagues, or welcome the time spent with family and friends.

#### **JAPANESE CONSUMERS**

So what are the strategies in place to stand out in the beverage marketplace?

At **Goodbeer Faucets**, they have always put great thought and pride into their establishments.

"For example, there are still not many places that offer many food and craft beer styles that match one another. We started this with our lunchtime," explains Eldad Bribrom, general beer manager. "We also introduced the American trend of 'nitro cold brew coffee."

They also recognise that at their **ON THE TABLE**, a lot of their customers are not only craft beer fans.

"We wanted to take the craft beer scene to the next level by creating an environment for enjoying craft beer with food, as if it were here the whole time," Bribrom adds.

At **Ise Kadoya Microbrewery Co., Ltd.**, the most important thing for them is that their products always have quality that satisfy the consumers. Avid drinkers in Japan invariably reach for their beer mugs to cheer on their favourite team, toast to the milestones of colleagues, or welcome the time spent with family and friends.

> "Therefore, we participate in major beer competitions in order to confirm the quality," points out Narihiro Suzuki, CEO and president.

Ise Kadoya Microbrewery has earned many prizes, ranging from the World Beer Cup, Australian International Beer Awards, Brewing Industry International Awards, International Beer Cup, World Beer Awards, and more.

"Our prize winners have been announced all over the world," adds Suzuki. "We started out about 440 years ago as a tea shop, and now encompass a microbrewery, soy sauce factory, and some food businesses."

Sometimes it's about the conversation over some pints.

"Our friendly staff use the counter to share stories about beer, which appeals to consumers in Japan," explains Masanao Fujita, representative, at the **Cerveza Gym Group**. "We are an oasis where customers come to enjoy various beers heartily and willingly after work or on a day off."

He also is confident about what he serves in regards to imports. "Since I moved around a lot when I was young and have developed good relations abroad," reflects Fujita, "I think I know a good thing when I taste it."

Because imported craft beers have very high quality, they are really getting popular at the pub **Watering Hole**, located on the premises of a brewery near Yoyogi Station.

"And, of course, also in Japan," adds Michiko Tsutsui, co-owner of **Tharsis Ridge Brewing Company**, "domestic breweries draw a lot of inspiration from imported beers. and so their quality is getting better and more creative."

#### **EVENT PLANNING**

Fujita observes a simple fact when it comes to timing some of his activities: "Japan is accustomed to observing the four distinct seasons."

From Tharsis Ridge Brewing Company's perspective, Japanese people like seasonal campaigns so much. "That really matches those seasonal craft brews," observes Tsutsui. As a result, at their Watering Hole restaurant, they often have sakura yeast beers in spring and citrus beers in summer.

"I believe we can feel the season just by drinking beers," she adds.

From **trainspot KK**'s perspective, the required high level of quality and service in Japan is often very challenging for consumer goods.

"This also matters for events," explains Jan De Bock, managing partner. "And especially the **Belgian Beer Weekend** that aims to bring a unique total experience, different from the existing beer events."

But is the Japanese beer event market saturated?

"Indeed, there are many beer events being organised in Japan. Most events, like the Oktoberfests, are very similar," De Bock continues. "In order to be successful, it is extremely important to be different and to have a very clear event concept."

Cheers to the beer industry!



#### **Operating hours**

Weekdays for lunch: 11:00 - 15:00 Weekdays for dinner: 17:00 - 23:00 Saturdays: 11:00 - 23:30 Sundays: Closed

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ON THE TABLE opened in March 2016 in the Goodbeer Faucets.

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The EBC cannot produce the white paper without kind financial contributions from its members and supporters to help cover production, translation and distribution costs. Also, placing advance orders assists with cost recovery.

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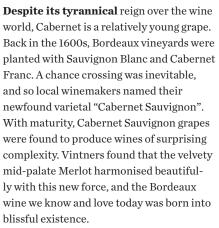


#### TEXT BY ALLISON BETTIN

# King Cab

## All hail the world's most beloved grape

No conversation about wine can be complete without addressing the king of varietals, Cabernet Sauvignon. Although Paul Giamatti's character in the movie *Sideways* famously deemed the grape "prosaic", most would agree that its inherent strength is what makes lovers of the wine swoon.



Around 250 years later, Cabernet Sauvignon vine cuttings would find their way across the Atlantic and over the great plains of America to California, where gold miners' unquenchable thirst made planting grape vines a necessity. Over time, visionaries like Russian immigrant André Tchelistcheff, chief winemaker at the famed Beaulieu Vineyard, began making Cabernetdominant wines based on the time-honoured traditions of Bordeaux. Soon, Cabernet vines were widely spread across the Napa and Sonoma valleys, giving rise to California's modern-day obsession with the grape.

Though Cabernet Sauvignon's thick skin and voracious growing ability had allowed it to thrive in all corners of the earth, in the second half of the 20th century, France — and Bordeaux in particular was still considered to produce the best Cabernet. Competition was sure to arise, and who better than the renegade vintners of the American West to tell the world otherwise?

In 1976, an Englishman who owned a wine shop in Paris thought it'd be a hoot (and a great way to drum up business) to pit classic Bordeaux and Burgundy against the hyped Cabernets and Chardonnays of California in a publicised blind



tasting. Only one journalist showed up to report on the event - the world had already guessed the outcome. A panel of judges compared, most notably, a 1973 California Cabernet Sauvignon from Stag's Leap Wine Cellar to a 1970 French Grand Cru Bordeaux; and the Napa Valley's Chateau Montelena 1973 Chardonnay to some of the best white Burgundies around. After careful deliberation - sniffing, swirling and spitting - and to the dismay of everyone present, the "Judgment of Paris" was cast: both the white and red California wines triumphed over the immortal giants of France. In one fell swoop, Napa Valley became the preeminent New World region for the world's best Cabernet Sauvignon.

While Cabernets from the Old World display predominantly floral or herbal notes like tobacco and violet, the New World offers more fruit-forward wines dominated by black currant, cassis, vanilla, and black pepper. Cabernet Sauvignon's high tannins and rich fruit flavours make it the perfect pairing for any and all red meats.

## Know your greens

How the types of grass used on golf courses can affect your game

Anyone who's played golf in Japan will know that many clubs have two greens on each hole.

A lot of those golf clubs have yardage markers on either side of the fairway, but which are at different distances from the respective greens. If you take your bearings from the wrong marker, it can easily mess up your game.

The two greens are known as "korai" and "bent", which refer to the types of grass that each has been seeded with. And they are very different from one another.

Originally, the need for two greens arose from the extremes in temperature in Japan – from freezing conditions in the winter to the intense heat of summer. Korai is a summer grass, while bentgrass can better withstand Japan's winters. However, advances in biotechnology have led to hybrid grasses that can survive in Japan's climate, which is why newer courses tend to have only one green.

"Creeping bentgrass greens will usually be smoother than korai greens — that is, the ball will roll more smoothly across a bentgrass green than a korai green," Dr Micah Woods, of the Asian Turfgrass Center, told *Eurobiz Japan*. "That's because the korai leaf blades are more rigid, and the bentgrass leaves are more flexible."

So how does this affect your putt?

"On a fixed gradient, the ball will roll more and will break [turn downhill] more when the green is 'faster'," says Dr Woods, who once worked as a greenskeeper in Japan. "A faster green is usually mown to a shorter height, and it may also be rolled to make the surface smoother

## "the need for two greens arose from the extremes in temperature in Japan"

and to increase the distance a ball will go."

Bentgrass greens are faster than korai greens, and, on a gradient, gravity will come into play as there is less resistance from the surface. In other words, the ball will roll more on a fast bent green.

The speed of the greens on a golf course will be uniform, and can be measured by the ubiquitous Stimpmeter, a simple device that has a ball to run down its short slope on a flat part of the green. The distance the ball rolls - six feet will give you a six rating – allows you to calculate the speed of the green; the higher the number, the faster the green. But if you're putting on a korai green, the speed of the ball will also depend on the resistance from the grass. Bentgrass is softer and offers less resistance, so is more uniform in speed. Korai, on the other hand, is thicker, giving the green a "grain," so putting against the grain will inevitably slow down the roll.

Sounds complicated? It's probably less difficult at Shizu

Hills Golf Club, which was originally built as a reversible course – meaning you could play it in both directions, as you can the Old Course at St. Andrews – with 18 holes of bentgrass greens going in one direction, and 18 korai greens going in the other. TEXT BY STEVEN GAN

## What it was like to be a gay businessman in Japan

A personal perspective

After graduating from the University of Illinois in 1980, I entered my family's elevator service company and over the next seven years, as controller, our employees gradually came to know I was gay. They were understanding, and this was very liberating for me; it was at a time when American society was actively discussing what it is to be gay.

**Having had a** lifelong interest in Japan, I decided to leave my parents' company and, in January 1989, at the age of 32, I entered Nippon Motorola in Tokyo.

I was excited to be in Japan and starting a new path in my career. However, as I began to socialise with people, I realised that being gay in Japan at that time was viewed very negatively.

For example, during my first several weeks at the company when I would go out with groups of co-workers, and I was continuously asked if I had a girlfriend and pressed about why I wasn't married. A few of the men drank a little bit too excessively, and used that as an excuse to speak derogatively of me in front of everyone. After two of these humiliating experiences, I refrained from these group get-togethers and went back into the closet for several years to come.

In 1992, I established the first foreignowned debt collection agency in Japan. One of my customers was Sumitomo Bank and I became very friendly with the thenexecutive vice-president, Mr Egawa. He and I would go out once a quarter for dinner and a night on the town.

One evening in 1996, he asked me very directly, "Steven-san, why aren't you mar-

ried?" After a pause, I explained that I was gay and attracted to men.

Although he was initially shocked, for the next few hours, we talked about what it is to be a gay man. For the first time since I had arrived in Japan, I spoke from the heart to a Japanese person. As we left the restaurant, Mr Egawa said: "Stevensan, I've never experienced such an honest conversation before with another human being."

So after seven years of being deep in the closet in Japan, I decided that I was not going to be there anymore.

While operating my collection business, I joined several business organisations. One group that appealed to me in particular was The Small and Medium-Size Business Friendship Association. I attended their weekly meetings and lively discussions, and I made many friends. Gradually, I came out to several people there, and their responses were, overall, very accepting. I suppose this was due to the fact that, like them, I was just another businessman trying to make a buck.

During my time in Japan, I did not know other gay men or women in my situation, especially Japanese. Although LGBT individuals are everywhere, I think they were still very much in the closet.

By the time I left Japan in 2005, all of my good friends and close business associates knew I was gay and I felt accepted. In fact, knowing that I was gay did not make an iota of difference to them.

Subsequent to my departure 11 years ago, I've read that awareness and acceptance of LGBT ideas and rights are advancing quickly. The equivalent of civil unions are now allowed in Shibuya and Setagaya wards and many major

## "knowing that I was gay did not make an iota of difference to them"

Japanese companies are now recognising the importance of making sure their human resources policies and procedures include provisions for their LGBT employees.

As Japanese society continues to be impacted by the positive LGBT changes taking place throughout the world, the LBGT community in Japan will also continue to contribute to making Japan one of the world's leading countries.

Steven Gan is founder and president of Stellar Risk Management Services, Inc., a credit risk management consultancy.



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## Erica Borile

<u>Company:</u> Royal Tirrenian <u>Official title:</u> President <u>Originally from:</u> Monza (Milan), Italy <u>Length of time in Japan:</u> 9 years

## Hungry? Where do you like to go for a bite?

For a real Napoli pizza fix, I usually drop in at L'arte in Sangenjaya, or Napoli Sta'Ca in Komazawa. Panino Giusto's tasty sandwiches make a perfect lunch.

#### What do you do to stay in shape?

I ride my bicycle to the station, choose stairs instead of escalators ... and lift my little daughter, who is 12kg, many times a day!

**Name a favourite movie.** *Pulp Fiction* and *The Godfather.* 

#### Name a favourite TV show.

I have seen the entire series of Sex and the City probably a dozen times.

#### Name a favourite musician. I would like to see Fabrizio Bosso and Stefano Bollani live in Tokyo again.

## "I would like to see Bollani live in To Fabrizio Bosso and Stefano Bollani live in Tokyo again."



## Srikesh Chidambaram

**Company:** Exentive G.K. **Official title:** Partner and Representative Director **Originally from:** Ottawa, Ontario, Canada **Length of time in Japan:** 14 years Hungry? Where do you like to go for a bite? Kaikaya in Shibuya.

What do you do to stay in shape? Hmm ... camping?

Name a favourite movie: It's a tie between *Monty Python* and the Holy Grail, and The Empire Strikes Back.

Name a favourite musician and album. Michael Jackson, *Thriller*.

Name a favourite TV show. Law and Order.

Name a favourite book. Jack Kerouac's On the Road.

## What's something a lot of people don't know about you?

I am left-handed. And my name is spelled with a C and not a K!

Cats or dogs? Dogs.

Summer or winter? Summer, as long as I'm at the seaside.

#### What's your ideal weekend?

I like to get away from the city with my family and friends, relax and enjoy some nature and good food.

## Where do you go for a drink after a busy week?

The Iron Fairies in Ginza, and Commune 246 in Minamiaoyama

d Stefano vo again.

> What's something a lot of people don't know about you? I have lived in the Horn of Africa.

Cats or dogs? Dogs.

Summer or winter? Autumn ...

What's your ideal weekend? Camping in Yamanashi.

Where do you go for a drink after a busy week? Yoyogi Village.





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