

EUROUZZ JAPAN

Revved up

Magnus Hansson
Jaguar Land Rover



Just for kicks

Euro teams invest in Japan

Air bubble

Low cost airlines thrive, but is a shakeout coming?

Rating Abenomics

Euro analysts divided on its success

05 2014



S.T. Dupont

PARIS 1872

BE EXCEPTIONAL



Line D Head Fountain Pen Line 2 Lighter Diamond Head Silver "D" Key Ring Elysée Black Leather Billfold

Takashimaya Shinjuku 3F Selbu Shibuya 6F Selbu Ikebukuro 5F Sogo Yokohama 5F Dalmaru Shinsabashi 5F Dalmaru Umeda 9F Dalmaru Hakata 4F

S.T. Dupont Ginza Boutique Ginza 8-5-1, Chuo-ku tel/fax 03-3575-0460

www.st-dupont.com www.facebook.com/STDupontJapan



8 Air bubble

Low cost airlines thrive, but is a shakeout coming?

By David McNeill

19 Just for kicks

Euro teams invest in Japan

By Hugh Ashton

26 Rating Abenomics

Financial analysts divided on its success

By Gavin Blair



© Cover photograph Benjamin Parks

COLUMNS

6 From the Editor

12 Q&A

Mike de Jong talks with Keizo Takemi, member of Japan's House of Councillors.

17 Executive Notes

Dan Slater on Olympic fallout. Will the mood of the Games be good or bad?

22 EBC Personality

Izumi Hamada: ice drifting and role models. By Mike de Jong.

25 Chamber Voice

Martin Glatz of the Austrian Business Council. By Mike de Jong.

29 Green Biz

Udon power. Generating electricity from leftover noodles. By Rod Walters.

30 Investing in Japan

Magnus Hansson keeps Jaguar Land Rover in the fast lane. By Mike de Jong.

37 Event Report

Prime minister Shinzo Abe at The Economist Summit. By Mike de Jong.

38 In Committee

Legal affairs. By Geoff Botting.

40 Culture Shock

Peter Miller and the artist's precarious path. By Lucy Birmingham.

43 Brand Aid

What does trust mean in the corporate world? By Ross Rowbury.

45 Upcoming Events

Events for the European business community in Japan.

46 Lens Flair

"Pool, loss of colour". By Jeroen Bisscheroux.

48 Work Place

Oliver Ryf, Managing Director, Hiestand Japan Ltd.

The Mission of the European Business Council

To promote an impediment-free environment for European business in Japan.

Publisher **Vickie Paradise Green**
paradise@paradigm.co.jp

Editor-in-chief **Mike de Jong**
dejong@paradigm.co.jp
Senior Editor **David Umeda**

Creative Director **Paddy O'Connor**
Designer/Illustrator **Iree Torii**

Advertising Sales
Hélène Jacquet Akagawa
Tapo J Mandal
advertising@paradigm.co.jp

Production and distribution
Daisuke Inoue
eurobiz@paradigm.co.jp

Published by Paradigm
6F West Park Osaki, 3-6-28 Osaki,
Shinagawa-ku, Tokyo 141-0032
Tel: 03-5719-4660 Fax: 03-349-1202
www.paradigm.co.jp

Published monthly in Tokyo. All rights reserved.
The views and opinions expressed herein
(other than editorials by the EBC) are solely
the opinions and views of their authors. The
EBC is not responsible or liable for any portions
thereof.

European Business Council in Japan (EBC)
The European (EU) Chamber of Commerce
in Japan

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

Chairman **Danny Risberg**
Senior Vice-Chairman **Michel Théoval**
Vice-Chairman **Carl Eklund**
Treasurer **Erik Ullner**
Executive Director **Alison Murray**
Policy Director **Bjorn Kongstad**
Communications & PR **Chantal Heiniger**

Subscription is free for members of the EBC
and national European chambers of commerce.
Subscription rates are: one year ¥9,000; two
years ¥15,000; three years ¥22,000; ¥800
per copy. Rates include domestic postage
or surface postage for overseas subscribers.
Add ¥7,500 per year if overseas airmail is pre-
ferred. Please allow eight weeks for changes of
address to take effect. Subscription requests
should be sent to eurobiz@paradigm.co.jp

If you prefer not to receive this magazine, and
for all matters related to distribution, please
send an email to eurobiz@paradigm.co.jp

EUROBiZ Japan welcomes story ideas from
readers and proposals from writers and
photographers. Letters to the editor may be
edited for length and style.

EUROBiZ is now available onboard Turkish Airlines business class,
leaving Tokyo twice daily from Narita and once daily from Osaka.



Contributors



David McNeill
examines the
proliferation of low
cost carriers in Japan,
page 8.

David has been in Tokyo since 2000 and
writes for *The Independent*, *The Economist*,
The Irish Times and other international
publications. His co-authored book, *Strong
in the Rain: Surviving Japan's Earthquake*,

Tsunami and Fukushima Nuclear Disaster,
has been widely acclaimed.

"Ryanair has blazed a trail through
Europe's airline market, leaving behind a list
of disgruntled customers, regulators and
employees. Yet even its detractors admit
that it has achieved a key goal: making air
travel cheaper. Several budget airlines are
attempting the same thing in Japan. As a
long-time lover of the Shinkansen, I'll be
watching this battle to see if competition
from airports forces reductions in expen-
sive train fares."

Writing in and about Japan since 2000,
Gavin contributes articles to magazines,
websites and newspapers in Asia, Europe
and the US on a wide range of topics,
many of them business-related.

"Now that the initial buzz around
Abenomics has abated, it was intriguing to
hear several distinctly different opinions
on the current state of affairs. One senior
economist believes the good times are
about to roll, another says there's trouble

Gavin Blair gets a
midterm assessment on
Abenomics from some
leading financial experts,
page 26.



on the way, while a finance industry insider
says that, perhaps unsurprisingly, investors
are waiting to see which way it will go."

Rod Walters
writes about
the energetic
possibilities of
leftover noodles,
page 29.



Working from a solar-powered home on
Shikoku, overlooking the Seto Inland Sea,

Rod has worked as a writer and translator
in Japan since 1991.

"In seeking to capitalise on its fame
as the "udon prefecture", Kagawa has
been choking on the waste from its most
promising industry. But a local engineering
company spotted an opportunity, turning
the waste into energy. This development
model is well-suited to rural Shikoku island
and, by extension, regions facing similar
challenges."



TOUT CHAUD TOUT FRAIS
ORIGINAL
OFENFRISCH GENIESSEN



Oktoberfest in May ?

We are ready !

- Hibiya Park / Tokyo (from May 16th to 25th)
- Umeda / Osaka (from May 16th to 25th)

Hiestand
SWISS GOURMET BAKERY



©Moomin Characters™

The fastest way to Europe

* Via Helsinki is the fastest way from Japan to 34 major cities in Europe (2014 summer schedule)

www.finnair.co.jp



FINNAIR
YOUR FAST AIRLINE TO EUROPE



Kicking off

Next month and into July, the focus of the sporting world will be on Brazil and the 2014 FIFA World Cup. Thirty-two teams will battle for football supremacy, playing 64 matches in 12 different cities. Will Spain repeat as champions, or will Brazil thrill fans by winning on its home pitch? Will Japan reach the final eight?

At EURObiZ, we know that many of you are footie fans, so this month, we present a special feature in advance of the World Cup. And our writer Hugh Ashton didn't merely interview executives in an office; he travelled to Tohoku, visiting the people from Manchester United and their camps for children in the northern region. ManU, Premier League rival Arsenal and Italy's AC Milan are among the top Euro teams that hold regular camps for kids in Japan. Other clubs such as Inter Milan, FC Barcelona,



Real Madrid and Germany's Dortmund have also been here and see Japan as an important market. Perhaps one day, *sakkaa* will catch up to baseball as Japan's most popular sport.

Airline deregulation has opened up new routes and markets in and out of Japan. But how are so-called low cost carriers faring with all the competition? As David McNeill writes (page 8), Japan's

market for low-cost air travel is booming, but a shakeout could be coming.

Also this month, Gavin Blair gets a midterm analysis of Abenomics from some leading Euro financial experts (page 26), while our EBC Personality features Izumi Hamada (page 22), a female executive in Japan who combines corporate work and EBC participation with a passion for fast cars.

Finally, we also take a look at Japan's healthcare future in an exclusive Q&A with Mr. Keizo Takemi, a member of the House of Councillors.

Once again, thanks for reading.

Mike de Jong
Editor-in-chief

dejong@paradigm.co.jp



NONSTOP TO THE WORLD HERITAGE **VENICE** WITH ALITALIA!

19 DIRECT FLIGHTS TO ROME, MILAN AND VENICE.
WE ARE PROUD OF OUR "MADE IN ITALY" SERVICE ON BOARD.



NARITA
VENICE/MILAN
from **¥45,000** Round Trip
+ fuel surcharge & tax
Nonstop flight in Economy Class

NARITA
VENICE/MILAN
from **¥140,000** Round Trip
+ fuel surcharge & tax
Nonstop flight in Premium Economy Class

NARITA
VENICE/MILAN
from **¥290,000** Round Trip
+ fuel surcharge & tax
Nonstop flight in Business Class



Innovation that starts with you.

At Philips, we want you to be healthy, live well, and enjoy life. We're inspired by you...by understanding your needs and desires. We're here to deliver innovation that matters to you. In the areas of Healthcare, Consumer Lifestyle and Lighting, we focus on improving people's lives through meaningful innovation.

innovation ✨ you

For more information, please visit
www.philips.com
www.philips.co.jp

PHILIPS

Air bubble

Low cost airlines thrive, but is a shakeout coming?

Text **DAVID MCNEILL**

Europe's controversial king of ultra-cheap air travel, Ryanair, has never carried a single passenger in Japan. But its influence can be felt in the nation's booming market for budget airfares. Many of the new carriers that have piled into the world's third-largest aviation market since 2012 are using the Irish company's playbook.

The Ryanair model cuts costs to the bone, using a single aircraft type with as many seats as can be squeezed in without making your ears pop. The planes use contract staff and outsourced services, and offer a basic, no-frills service. Because price is prioritised over comfort, flights are normally short-haul. Customers book online. That means budget airlines can cut ticket prices by up to 80%.

Analysts wondered if that pared-down approach would work in Japan—a country with famously

pampered and fussy customers. Airports here are costly, travel agencies still hold a lot of sway, and then there's the Shinkansen bullet trains that whisk hundreds of thousands of people a day between the nation's biggest cities. The average delay on key routes is about 30 seconds. How can planes compete with that?

The only way is with low fares, says Miyuki Suzuki, CEO of Jetstar Japan, a joint venture between Australia's Qantas Airways, Japan Airlines (JAL) and Mitsubishi Corporation. The Shinkansen costs ¥14,000 for a one-way Tokyo-to-Osaka trip, with no discounts for return trips. Older people may prefer to stick with the train, but cut those costs and, Suzuki says, other travellers will take to the skies. "Thirty percent of our customers [have] never flown by air in Japan," she says. To make it easier for them,

Jetstar even sells tickets in Japan's ubiquitous convenience

stores. "We are unleashing a whole new market," adds Suzuki.

Budget carriers once steered clear of Japan's pricey landing slots, high fuel taxes and tough regulations. But the market has recently grown congested. In 2012, three low cost carriers (LCCs) opened for business: Peach, AirAsia Japan—both part-owned by All Nippon Airways (ANA)—and Jetstar. Since then, they've been joined by several other LCCs, including Spring Airlines, a part Chinese-owned company that will start operating this month. According to the *Nikkei Asian Review*, there are now 15 firms in the LCC market, including eight foreign firms.

Inevitably, there have been casualties. SouthEast Asia's largest budget carrier, AirAsia, ended a joint venture with ANA last year after a reported clash of cultures (Japanese corporate rules force foreign companies to find local partners and cap their stake at a third). Analysts say



“THIRTY PERCENT OF OUR CUSTOMERS HAVE NEVER FLOWN BY AIR IN JAPAN”

Miyuki Suzuki

the brash, Malaysia-based LCC, which flies to over 70 destinations across the region, balked at dealing with Japan's powerful travel agencies and Narita's rules, including a midnight curfew. "The company prioritised low cost and didn't consider quality important," says Ryota Himeno, an airlines analyst at Barclays Securities Japan.

The Japan side of that venture has been re-launched as Vanilla Air, 100% owned by ANA. Tony Fernandes, director of AirAsia, is flying back and forth to Tokyo looking for Japanese partners. "We'll be back," he insists.

The speed of growth in the LCC market has surprised some analysts. In the two years since it began operating, Jetstar will have flown five million passengers by this summer. Peach says it has

already passed that milestone. And there is plenty more room to grow. Domestic air travel is still dominated by Japan's Big Two, ANA and JAL—the latter recovering from its filing for bankruptcy in 2010. According to Japan's Transport Ministry, LCCs make up less than 5% of the flights at Narita Airport and less than 20% at Osaka's Kansai International Airport (despite a dedicated LCC terminal at KIX since 28 October 2012).

By contrast, Ryanair and its budget competitors account for about 40% of flights in Europe. Across much of Southeast Asia, LCC upstarts such as AirAsia

now sell more than half of all airline seats—up from about 10% a decade ago. Japan's market will be slower to catch up, predicts Japan Aviation Management Research. By 2017, according to the think tank, the budget carriers will likely fly 10% of the traffic at Narita and 30% at KIX.

Why has Narita dragged along the bottom? Though it cut landing fees last year in an apparent attempt to compete with Haneda's growing clout as an international hub, Narita's fees are still



among the highest in the world. And its distance from Tokyo means travellers must add the time and cost of getting there. By contrast, the Shinkansen pulls out of Tokyo's city center every couple of minutes.

Pressure from airlines will force Narita to cut its fees further and boost the number of slots available to low cost carriers, says analyst Himeno. But it may not come quickly enough. He says some of the budget airlines would prefer to be in Haneda or KIX, a claim, however, denied by the Jetstar CEO. "We're staying in Narita," says Suzuki. "It has a lot of benefits. Chiba has a very large population, so it is a good catchment area."

Narita is also a hub to connect customers who fly in from other points in the Jetstar network. One of its most lucrative routes is flying Australians into Tokyo and on to the Niseko ski resort in northern Japan. "We do a brisk trade in transfer passengers," says Suzuki.

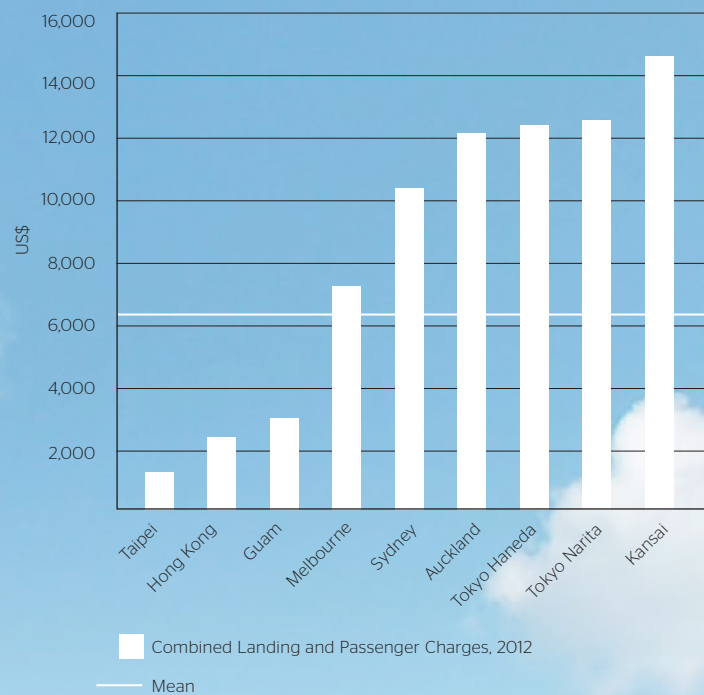
Taking on Peach will not be easy, however. The airline has established a competitive beachhead in Kansai, says Patrick Murphy, a former chairman of the board at Ryanair who is now corporate adviser to the KIX-based LCC. "We have the advantage in the region."

Peach flies 12 aircraft to Hokkaido, Okinawa and other domestic routes, as well as to Hong Kong, Taiwan and South Korea. Its key demographic is women aged 21-34 who use its cheap, one-day shopping trips to cities a few hours from Japan.

The key to Peach's success has been the relentless pursuit of lower costs championed by Ryanair, says Murphy. "We outsource as much as we can. We turn around a plane in 30 minutes, and use these aircraft 11 to 12 hours per day," he continues. "The average is eight hours a day. We're very conscious of putting on a service onboard, but people pay for it."

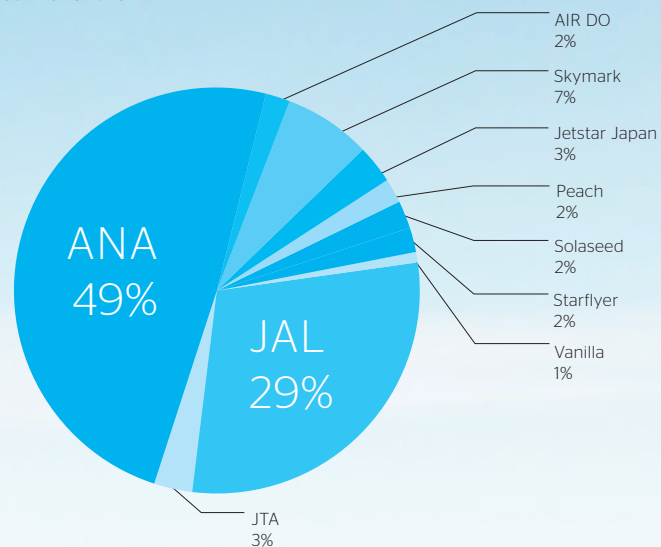
One clear consequence of all this competition has been a fall in prices and a rise in the numbers of people flying. Himeno predicts further cuts in airfare, especially by competitors JAL and ANA. Another consequence has been a rise in business for Europe's

Asia Pacific: Combined Landing And Passenger Charges, 2012 (In US\$)



SOURCE: CENTRE FOR AVIATION

Japan Carrier Share



SOURCE: AIR TRANSPORT RESEARCH SOCIETY

aircraft manufacturer, Airbus. The model of choice for many of the carriers is the single-aisle Airbus 320, widely considered trouble-free and easy to maintain. Long overshadowed in the Japanese market by Boeing, the rise of LCCs could help Airbus hit a target of doubling its market share to 25% by the end of the decade.

By then, competition may have squeezed out some of the weaker airlines. Analysts forecast a European-style shakeout of the market. Ryanair is one of only four LCCs on the continent now, down from 20 a decade ago, says Murphy. "We are seeing all the signs that will happen here, too."

Transforming from a Key Opinion Leader to a Key Account

By Philip Carrigan, Founder and Representative Director, Morunda K.K.

Recruitment trends in Asia's pharmaceutical industry over the last decade have pointed to an increasing demand for top marketing talent. With the rise of specialty pharmaceutical companies, this demand is expected to become even stronger.

Companies are seeking candidates who can think globally and act locally. Clients are looking beyond excellent presentation skills, good KOL (key opinion leader) contacts and MR (medical representative) experience from candidates. In today's market, these are no longer enough.

The market has become far more sophisticated with the need of marketing teams to quantify and qualify their strategies and return on investment. The previous president of a well-known specialty pharmaceutical company stated that the old model of selling pharmaceuticals was focused on the share of voice—brand's percentage of advertising activities within the total for an entire sector—which underlined frequency and coverage as the main sales drivers. Such a model is now inadequate and outdated.

Leading pharmaceutical companies are seeking to clarify their marketing goals. The objectives are clarity, synergy and singleness of purpose.

Leading firms are looking for candidates who fit the below seven parameters:

1. Passion, enthusiasm and commitment to work globally and integrate sales, marketing and development

2. Possessing a strong understanding of "sales force effectiveness" and the ability to apply global principles locally
3. Strong leadership. Hierarchical power does not work anymore in 2014, with teams operating in cross-board matrixed organisations. Leadership is now an attitude and not a title
4. Possessing a comprehensive understanding of the needs of physicians and the strategic acumen to perfectly segment, target and handle limitations in physician-/customer-base access
5. Integrating communication channels between marketing and sales teams to achieve high profitability
6. Delivering superior return on investment through marketing channels by synergising business plans with sales force activities
7. Partnering with key stakeholders in building integrated relationships with pharmacists, doctors and local authorities for improved success

Clients are seeking candidates who can develop key customers and maximise key customer relationships. The companies that are winning in 2014 have marketers who use all company resources available to them and can develop deep relationships with various departments in hospitals. Such an approach overcomes many of the drawbacks of the traditional approach by involving a whole range of customers who can influence business in multiple ways.



"Develop key customers and maximise key customer relationships"

This type of relationship means that pharmaceutical companies and hospitals have become highly interdependent. An account does not rely on the rise or fall of the relationship between any two individuals. Effective key account management takes time to achieve and is most definitely not a quick fix. Instead, it is an approach that seeks to build longstanding relationships between account managers and the customers that are most important for the long-term success of these managers and the organisation.

Key account management requires much more than the KOL strategy of selling. The emphasis is on accurate targeting, long-term relationship building and strategic thinking. Clients want candidates who understand that much more is to be done and achieved beyond physician detailing.



Healthcare future

*Mike de Jong talks with **Keizo Takemi**, member of Japan's House of Councillors*

With its hyper ageing society and massive national debt,

Japan's healthcare challenges have been well-documented. But the country has also been a global leader in many health-related areas, including the fight against communicable diseases. Keizo Takemi, a member of Japan's House of Councillors, is an internationally renowned expert on global health and development issues.

How has Japan shown leadership on global health issues?

Our universal health coverage system is widely studied around the world as a case study of how to strengthen healthcare in a way that both supports public health and provides a foundation for sustainable economic growth. And the Japanese government has consistently contributed to global health as a champion of the issue of communicable diseases. For example at a G8 summit in 2000, Japan helped create the Okinawa Infectious Diseases Initiative and pledged to spend US\$3 billion to combat infectious diseases in developing countries. This later became the global fund on HIV/AIDS, malaria and tuberculosis and has already saved more than two million lives.

Do you think with its ageing population, Japan could play a leading role in managing an ageing human resource?

Yes. Japan's experience is very unique.

We have already experienced one cycle of population dynamics, going from a young and rapidly growth population fifty years ago to an ageing and declining population today. Based on this experience, we can suggest to people in developing and [predominantly] middle-income countries how they should design their own health systems and create a seamless process for entering the second stage of ageing. This is a key concept of our universal health coverage model now.

Many other countries will reach a similar point soon, won't they?

Most Japanese tend to believe that ageing is a negative issue. But my way of thinking is quite the opposite. Our ageing is a real advantage by providing a way for the Japanese people to contribute to other ageing populations beyond our national boundaries, especially in Asia. South Korea, the coastline of China, Taiwan, Hong Kong, Singapore, and even Thailand and Indonesia, are all

becoming ageing societies searching for ways to cope with a growing burden of communicable and non-communicable disease. And their speed of ageing is much quicker than that of Japan. So they face very serious challenges in creating sustainable systems of universal health coverage. These challenges will become a serious, political agenda. But Japan can work with them and share what we have learned.

What about domestic healthcare challenges? Do you agree that efficiencies can be found in the system that the government should consider?

That's a new challenge for us. Even though we have had wonderful success stories, inefficiencies have become obstacles to maintaining a sustainable healthcare system. And also, we now have totally different conditions economically and demographically than when our health care system was founded. Therefore, our original national targets set in the 1960s—to create a

“AGEING
IS A **REAL**
ADVANTAGE
FOR THE
JAPANESE
PEOPLE”

Keizo Takemi



© KEIZO TAKEMI OFFICE

healthy and well-educated middle-class population—have been revised, and should be revised. The new national target should be an economically active, healthy, ageing society as we create new policies to achieve our goals in the 21st century.

Is that part of the Abenomics programme?

Yes, the promotion of healthy ageing and a longer average healthy lifespan is a key part of Abenomics. Even if we can successfully carry out the objectives of Abenomics and increase economic growth in the short term, we are continuously losing our social dynamic because of ageing. So the question of how to revitalise our social dynamic under [the burden of fast] ageing is a very, very serious and important subject for policymaking.

With EPA/FTA and TPP negotiations on-going, many say that reduced trade barriers on items such as medical

equipment and pharmaceuticals would help Japan better deal with its ageing population and other health-care challenges. Do you agree?

I think it's totally the right direction. We have to recreate a smoother free trade system beyond national boundaries. This process is very important to revitalise our global economy as a whole. These FTAs absolutely should be given priority. On the other hand, every country has its own important domestic issues. So how we reconcile those two priorities is the essence of politics.

Finally, tobacco-control is an issue that you have worked hard on in the past. In Japan, smoking-control measures are not strong compared with other developed countries. What will we see here in the future?

Our smoking population is still large. And also we realise that if we can successfully decrease the smoking population, we can reduce health expenditures. In this regular session

[of parliament], we are proposing a revision of the Industrial Health and Safety Law that would require employers to make an effort to protect workers from passive smoking. This is one step forward. Personally, I wanted to prohibit it [smoking], but, unfortunately, some tobacco politics still remain in Japan. So we could not do that at this time. We also have set a national target to reduce the adult smoking rate from 19% to 12%, helping the 40% of smokers who want to stop do so. It's a modest target, but if we can successfully do it, it will really contribute to an extension of our healthy life expectancy.

Do you foresee smoking being banned from work places in the near future?

We are host of the Tokyo Olympics in 2020. The host nation and host city should be non-smoking as [suggested] by the Olympic charter. So I want to utilise this as political leverage to disseminate non-smoking policies to all areas of Japan as well. 🍎



Recruiting & retaining a competitive workforce

Spotlight on: Japanese pharma, biotech and medical devices

- Are your skills in demand and at a premium?
- What are the top recruitment challenges facing employers?
- Is Japan facing a global war for talent?

Find out in Real Life Sciences' latest salary and market trends report; 'Recruiting & retaining a competitive workforce', featuring insight from leading pharma, biotech and medical devices organisations from across Japan.

Download your copy www.realstaffing.com/eurobiz



About Real Life Sciences

As a global leader in the recruitment of pharma, biotech and medical devices specialists, Real Life Sciences partners with companies across the world to deliver the best and brightest talent, no matter where in the world you need us.

Find out more on our website www.realstaffing.com



EU and Japan



This month marks the 64th anniversary of the Schumann Declaration, viewed as the first official step in the foundation of the present EU. On 9 May 1950, coal and steel resources were pooled in a common European organisation.

The European Business Council (EBC) is the European (EU) Chamber of Commerce in Japan, whose 2,500 member companies operate in 30 industries in this country. The 16 European chambers of commerce that comprise the EBC stakeholders include firms that are the leaders in certain key market sectors.

We pay tribute to the EU-Japan partnership that remains both unwavering and reciprocal, especially during the on-going EU-Japan FTA/EPA negotiations.



www.elio.co.jp

Elio Locanda Italiana

Elio's Catering

03-3239-6771 (Restaurant)

03-5210-5701 (Catering)

Elio Locanda Italiana, named after the Calabrian restaurant of owner Elio Orsara's grandmother, is enjoying its 18th year of serving authentic Southern Italian cuisine and hospitality. Its Elio's Catering is available for private residences, party halls, shops, showrooms, offices, etc. The Italian chef and professional staff prepare organic food, with Elio's own Tokyo Catering Headquarters producing the handmade dishes.

Hanzomon House 1F, 2-5-2 Kojimachi, Chiyoda-ku Tokyo



Pernod Ricard Japan

Pernod Ricard Japan

www.pernod-ricard-japan.com

Created in 1975 by the link-up of the Pernod and Ricard companies in France, Pernod Ricard is now the worldwide co-leader of the Wine & Spirits industry. Organic growth through premiumisation and innovation, as well as acquisitions, is fuelling the ambition to become number one worldwide in Wine & Spirits.

Pernod Ricard Japan, a fully owned subsidiary of the Pernod Ricard Group since 1991, is today the leading Imported Wines & Spirits company in Japan.



Cobra Japan KK

www.cobra-group.com

Cobra Automotive Technologies SpA, based in Italy since 1975, is a leading international group providing vehicle safety and security solutions, including antitheft, parking assistance and telematics systems. Cobra is partner to the main European and Asian vehicle manufacturers, having direct operations in Brazil, China, France, Germany, Italy, Japan, South Korea, Spain, Switzerland, the UK and USA. Cobra Japan KK, founded in 2006, is dedicated to worldwide business development and project management with Japanese carmakers (Toyota, Honda, Nissan and Mitsubishi).

VAISALA

Vaisala K.K.

www.vaisala.co.jp

Vaisala is a global leader in environmental and industrial measurement. Building on 75 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for chosen weather-related and industrial markets.

Over the 30 years, Vaisala has been committed to competence building for our Japanese customers, and transferring critical information about local needs to R&D and business development in Helsinki.



Hotel Granvia Kyoto creates magnificent gay weddings

JR Kyoto Station
Karasuma Chuo-guchi, Shiokoji-sagaru,
Karasuma-dori, Shimogyo-ku, Kyoto 600-8216
Tel: 075-344-8888 Fax: 075-344-4400

osm@granvia-kyoto.co.jp www.granviakyo.com



HOTEL GRANVIA
KYOTO

Sponsorship

The European Business Council (EBC) once again is producing the EBC White Paper, the hallmark annual report on the business and investment environment, in English and Japanese for release in mid-November. This will be the 11th in the series.

The EBC can not produce the white paper without kind financial contributions from its members and supporters to help cover production, translation and distribution costs. Also, sponsorship goes a long way to establishing the credibility of the report.

Blue-Star Sponsorship:

¥150,000 (or more if you wish) (company name on a 2-name page)

Special Sponsorship:

¥100,000 (company name on a 10-name page)

Sponsorship:

¥50,000 (company name on a 20-name page)

Purchase price:

¥5,000 per set: 1 English copy and 1 Japanese copy

If you would like to support the white paper as either a sponsor and/or would like to order copies, please visit www.ebc-jp.com



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

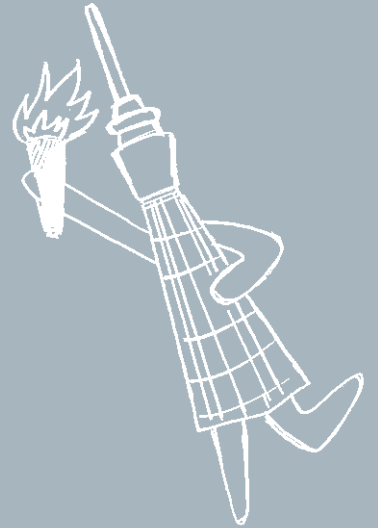
European Business Council (EBC) Tel: 03-3263-6222. E-mail: ebc@gol.com

www.ebc-jp.com

Olympic fallout

2020

東京



Will the mood of the Games be good or bad?

Crime and sports—odd how well

those two go together!—expert Robert Whiting gave a fascinating talk about the Olympics at a seminar I organised recently on behalf of a law firm.

Whiting's speech was a treasure trove of historical information. It was spectacularly complemented by hundreds of rare photos from 1958, when Japan won the bid for the 1964 Games, to when the curtain came down on a wildly successful show.

If you travelled back to 1964, the Tokyo you would arrive in would be instantly recognisable. That's when the most famous landmarks were thrown up: the elevated highways, the Tokyo-Osaka Shinakansen line, the monorail from Haneda airport, the Budokan near the Imperial Palace, and half a dozen other architectural sites. The Tokyo we know now was born in that time.

Pre-1964, Tokyo was a very different place. Yakuza hovered on many street corners. American soldiers were common, streetwalkers were evident in Ueno Park. Drug use and petty crime was rife. There was an ugly mood: leftists and rightists were pitted against each other on factory floors, with the yakuza helping out the establishment.

The amazing result of the '64 Olympics was not just the infrastructure laid down, although this was the basis for Tokyo's future role as the economic engine of Japan. More importantly was how the Games permitted Tokyo to reinvent itself as a high-tech, peace-loving, hospitable, well-organised, clean and prosperous megalopolis.

Bob Whiting's brilliant presentation showed how fundamentally contradictory such a transformation actually was. There was a controversial emperor, who

thanked the world for its reacceptance of Japan into the family of nations. And there were the building triumphs—some closely overseen by organised crime bosses sharing the lavish proceeds with the construction companies, bureaucrats and politicians. Truly, this was the birth of the modern political economy of Japan, based on the iron triangle of politicians, businessmen and officials. It was the launch of the "construction state" which would spend the next 50 years carpeting Japan in concrete.

Still, the Games worked. The symbolism of the Games at the micro-level helped motivate Japan's ever-industrious population to pitch aside ideological considerations and push on to generate ever more dizzying levels of growth and prosperity.


There were epic feats of endurance at the Games, including the performance of the gold-winning female volleyball team (the shortest team at the tournament), who thrashed the mighty Soviets. The Games shaped a narrative whereby Japan had achieved a balance between retaining its essence, and Westernising sufficiently to be recognised as "part of the team" by Western nations. Japan came third in the gold-medal count, by the way, behind the US and the then-USSR.

With the 2020 Games just six years away, what symbolic manipulations will the current government come up with? It will be tricky. In 1964, there was a self-confidence about the establishment, and a yearning for progress among the population. Today, the establishment, especially the elite bureaucracy, has lost the confidence of the population. The population is also less clear about the direction it wants to take.

“WHAT SYMBOLIC MANIPULATIONS WILL THE CURRENT GOVERNMENT COME UP WITH?”

Tragically, Japan under Prime Minister Shinzo Abe seems to have discarded the legacy of the '64 Games. No longer is Japan a cuddly, friendly, pacifist nation with a huge aid budget, absorbed in making ever better cars, trains, stereos and refrigerators. Today, the aim is to become a "normal" nation, which means that Japan wants to use its Games like Russia and China used theirs: as a brash display of nationalist virility.

Whiting's great service at this event was to help us understand how a government might use the Olympics to influence the national mood. There are many versions of the "truth" out there; it will be fascinating to see which version the government runs with—and whether it chooses a version the rest of the country can agree with.

I'm ready to wager it will do badly on both counts. 



DAN SLATER
is director of the
Delphi Network



occupation: Real estate investor

Let *Them* Do the Work

Premium Value Bank offers one-stop service to help you find the best property investment in Japan



Every investor has their own unique strategy, market interest, and goals. With full support at every step of the process, including helping to arrange financing for the property value, Premium Value Bank is the trusted partner you need to seamlessly navigate the Japanese real estate market.

We look forward to hearing from you to arrange for your free Premium Value Bank consultation.

You can reach us at 03-5766-7727, or by email at info@p-v-b.com

Aoyama Palacio Tower 4F, 3-6-7 Kita Aoyama, Minato-ku, Tokyo

<http://p-v-b.com>





© HUGH ASHTON

Just for kicks

Euro teams invest in Japan

Text **HUGH ASHTON**

As the second-highest goal scorer in the history of England's Premier League, Andrew Cole reached great heights in his football career. Yet the former England and Manchester United star is still humbled when coaching children.

"It's the smile on the kids' faces," says Cole, when asked to describe the best part about teaching the game he loves. Cole recently spent six days in Japan, working with young players at ManU training sessions in the 3/11 disaster-hit areas of Miyagi, Fukushima and Iwate prefectures.

"I was impressed by the spirit of the kids when we visited the area," says Cole, who held three separate sessions with youngsters aged 7-13. In all, he met more than 320 children, working alongside ManU Girls Football Development officer Emma Fletcher and Hub Development officer Lee Caldwell.

And they did it all for free.

Since last year, the Manchester United Foundation has organised coaching camps and clinics around Japan in conjunction with Kagome, a company best

known for its tomato juice. While some training camps require a fee, the sessions in Tohoku were done at no charge.

"Correct to say we do not charge for these activities; they are a community activity and free of charge to participants," says Jamie Reigle, Manchester United's Asia-Pacific managing director. "There is no direct financial benefit for the club in running this programme."

Reigle says that while Kagome funds the activities, the football team brings in coaches and event management capabilities. And the club does get leverage in building its global brand. "The programme benefits [us] in terms of visibility and publicity through Manchester United's involvement," Reigle says.

John Shiels, chief executive of the Manchester United Foundation, says the Tohoku programme is "not just about football. It's our job to provide the platform to inspire the kids."

Talking with the children after the Miyagi session, held at a futsal club in Sendai, that target was certainly met. Youngsters enjoyed the five-a-side and one-on-one games, and all seemed to have caught the spirit of fun displayed by the coaches. Children left

“IT'S THE **SMILE**
ON THE KID'S
FACES”

Andrew Cole

the pitch with commemorative medals, certificates—and smiles on their faces.

Shiels says Kagome seemed the best fit to partner with the Foundation as the two share similar values. Shiels points out that the world-famous football team and the people of Tohoku have something in common—resilience. In 1958, ManU lost eight players in a plane crash, and Shiels feels the spirit of revival and confidence in the young people of Tohoku is reminiscent of that which followed the tragic accident. He recalls the consoling words of ManU's coach back then: "It's not the end—it's the beginning."

Manchester United is not the only European football side to have a presence in Japan. London's Arsenal has been bringing its brand of football here since 2012. The team has a permanent school in Ichikawa, Chiba prefecture,



マンチェスター・ユナイテッドは、カゴメ「リジェネレーション・チャレンジ・プロジェクト」と東北の子供たちを応援できることを、大変誇りに感じております。

Manchester United are extremely proud to support the KAGOME "Re:Generation Challenge Project" and the children of Tohoku.

東北の地域にとって、2011年の東日本大震災からの復興は、まだまだ長い道のりです。東北への想いを集め、東北を忘れないよう、マンチェスター・ユナイテッドとカゴメによって、復興を支援するためのコラボレーション活動「リジェネレーション・チャレンジ・プロジェクト」が2013年に生まれました。私たちは、カゴメとのパートナーシップ活動を通じて、2014年も引き続き東北の子供たちの元気と夢を応援していきます。

There is still a long way to go for the region of Tohoku to recover from the 2011 Great Eastern Japan Earthquake. To help aid recovery, the collaborative "Re:Generation Challenge Project" was born in 2013 by Manchester United and KAGOME to raise awareness and remember Tohoku. We are committed to continuously support the smiles and dreams of the kids in Tohoku through partnership activities with KAGOME in 2014 and beyond.



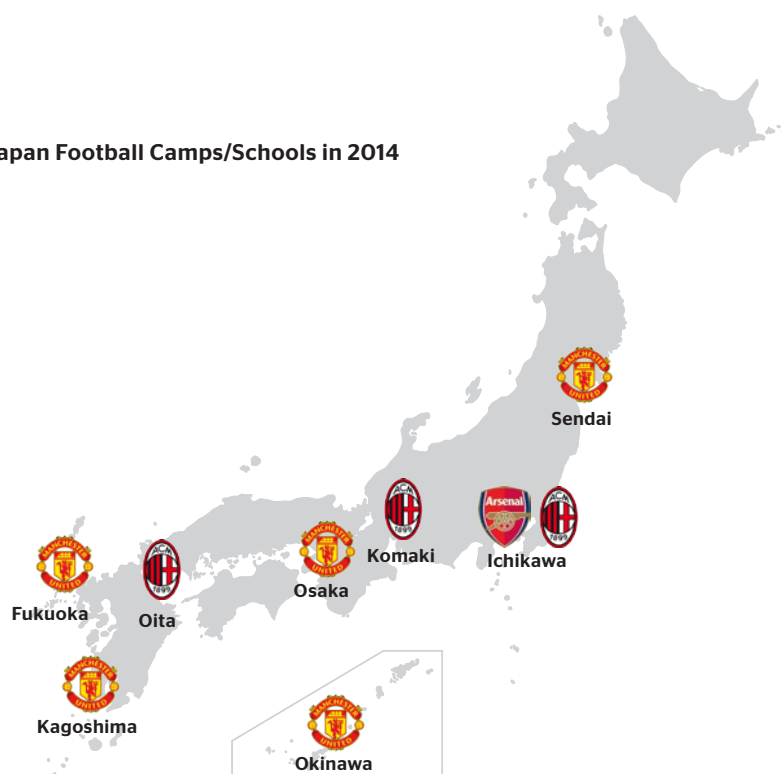
which was preceded by temporary schools in Yokohama and Kagoshima (Kyushu). The school is run in association with the local city government, transport companies and a Japanese educational service provider. Currently, 300 children are enrolled. The school accepts youngsters of any ability up to the age of 12. After this age range, competitive teams comprised of under-13 year olds and 14 year olds are trained to play in local leagues. Sessions are held three times a week.

"If there's extreme talent [in the Arsenal schools], Arsenal would be the first to know," says Robbie Servais, the team's head coach at Ichikawa. While finding the next Japanese superstar might not be the motivation, it is not outside the realm of possibility. With Japanese players now making their mark in professional leagues around the world, the possibilities of finding youngsters with talent does exist. Case in point: Real Madrid, which recently signed nine-year-old Takuhiro Nakai to a youth contract. Spanish rival FC Barcelona also grabbed Japanese teen Takefusa Kubo. Japan's professional J-League may only be about 20 years old, yet Japan is now seen as a legitimate source of talent by European clubs.

"Japan is a very interesting market for coaches and players who want to come to work, and for Japanese players who play in Europe at the highest level," says Francesca Pietra, commercial director of Italian perennial powerhouse AC Milan, whose roster now includes Japanese striker Keisuke Honda. AC Milan currently has four schools in Japan, the first having opened back in February 2011. The schools were set up following a Milan Junior Camp with partner Amazing Sport Lab, which helped find other partners for the schools.

Each school has an official Italian AC Milan coach, whose responsibilities include technical and organisational aspects of the school and developing local Japanese coaches. There is also a two-way exchange between Italy and Japan, with club officials paying annual visits here and Japanese coaches taking AC Milan Academy courses at regular intervals.

Japan Football Camps/Schools in 2014



Fun and games (clockwise from top left): spirited play at the AC Milan camp; smiles at the Man U camp in Tohoku; AC Milan staff with kids; Arsenal Japan head coach Robbie Servais.

Along with the aforementioned clubs, several other Euro teams have held camps and training sessions in Japan—including Germany's Dortmund and Chelsea from the UK. Also, there is the ACC Soccer Academy in Aichi prefecture, coached by staff of the Bobby Charlton Soccer and Sports Academy (which counts David Beckham among its alumni), and a British Football Academy, which operates regular classes and

organises teams in the Kanto region.

Operating camps in Japan helps Euro teams build brand and expand worldwide marketing efforts. But ultimately, the work is about growing the game, making children happy and developing character. "The mission [is] being [able] to help kids to become better men and women of the future," says Pietra, "thanks to the sports education they receive." [e](#)

Izumi Hamada

Ice drifting and role models

Text **MIKE DE JONG**



Adventurous is a good word to describe Izumi Hamada, head of government affairs for Philips Electronics Japan. Hamada's favourite hobby explains why – on a cold winter's day, she likes nothing more than sliding behind the wheel of her sleek Porsche Boxster convertible and zipping around a frozen lake.

"You have to be really careful to manage your car, otherwise you are going to spin or lose control," Hamada says of

ice drifting, a pursuit that gets her out of Tokyo three or four times a year. "It's really intensive driving."

Although it sounds dangerous, Hamada actually finds ice drifting relaxing. Cars are equipped with special tyres and rarely go faster than 40 km/h, so there's no real danger. And Hamada has training, having attended an ice-driving course in Scandinavia several years ago. The best part for her is drifting with the roof down.

"I'll switch on the seat heater and steering heater, and drive. It's really refreshing, because I can also enjoy nature. In winter,

the ice is very quiet and you can feel the fresh air," she says. "It's my favourite thing to do in the wintertime."

Hamada's ice driving helps clear her mind of the stress and worry that comes with being one of the top medical-device executives in Japan. And while the hobby might seem unusual, it is not out-of-character for someone with a sense of adventure that has carried her through a 20-year career.

Born and raised in Tokyo, Hamada's career interest was sparked early due to an illness in the family. "I wanted to

“YOU HAVE TO BE REALLY CAREFUL TO MANAGE YOUR CAR, OTHERWISE YOU ARE GOING TO SPIN OR LOSE CONTROL”



become a doctor or healthcare professional since I was a kid. Maybe because my brother had quite a serious [operation] when he was two or three years old; but he came back.”

After training as a medical technologist, Hamada first got a job at a hospital. But later she left for the UK, looking to further her language skills. She credits nine months abroad for helping her gain employment with foreign medical companies in Japan.

“When I came back, I didn’t want to go back to a hospital,” she says of her early

career choices. “But I wanted to be in the market.”

After stops at Alcon Japan and Nippon Becton Dickinson, Hamada arrived at Philips in 2008. With initial responsibilities for respiratory and sleep apnea products, and later public affairs, she moved into her current role in governmental affairs two years ago.

“I was open to new challenges, because I had been in marketing for more than 20 years,” says Hamada of the move. “So I think it was a good idea for me to learn new things.”

Although admitting that taking on an area steeped in policy was difficult, she has benefitted from having the same fearless attitude that sees her behind the wheel of her Porsche.

“I am not afraid of change. Rather, I like to try many things by myself. If you stop and don’t do anything, you cannot have new experiences.

These days, with boss Danny Risberg in a new role as EBC chairman, Hamada is busy on many projects. She is often called upon to attend meetings and deliver presentations in Risberg’s place. She also continues to serve as secretary general of the EBC Medical Equipment Committee, which comprises more than 30 firms. Her work involves official discussions with the government on medical equipment policy, and working with the EU Delegation to Japan and other industry associations. Recently, Hamada’s EBC role found her heavily involved in revisions to Japan’s Pharmaceutical Affairs Law (PAL).

“It was quite exciting and interesting timing when I took over this position,” she says of her EBC work. “At the same, there are lots of discussions of what’s going on, what’s going to be changed and what we have to be involved in. Still, we have to do many things.

“We could be stronger to push the Japanese government. And also to change the name of the PAL to include medical devices.”

Do you like natto?

Career highlight: Difficult to choose one. I am pleased that I have always worked with wonderful teams and people in my career.

Career regret: Not working outside Japan yet.

Favourite saying: チャンスの神様は前髪しか無い “Take fortune by the forelock.

Favourite book: “Yoku Iki, Yoku Warai, Yoki shi to deau” or “Good Living, Good Humour, Good Death.” Alfons Deeken.

Cannot live without: My family and friends.

Lesson learned in Japan: Clean, safe, nice food, good service. Enjoy living in Japan.


Secret of success in business: Respect people around you, understand different thoughts/cultures and never give up!

Favourite place to dine out: Wakanui in Azabu Juban. Delicious meat and wines. Hokey Pokey Ice Cream is one of my favorite desserts.

Do you like natto?: Yes, of course. Good with avocado or kimchi. Good for your health!

Hamada’s EBC work has helped influence government policy; and as one of the few senior female executives in Japan, she may be viewed as a role model. However, Hamada doesn’t see herself that way. She is merely a person who likes challenges. She believes other women should challenge themselves as well, and not rely on men or governments to pave the way for their success.

“I want younger women to challenge many things. Sometimes they ask me how to learn English and I give advice to them, but they don’t move. They just ask my opinion. I cannot make them move. They have to do it by themselves.

“If you don’t challenge [yourself], nothing happens,” she adds. “It’s up to you to do it.” 

Green oasis for all seasons

Staying at The Westin Tokyo



THE WESTIN
TOKYO

Leading up to the stellar 20th anniversary, The Westin Tokyo unveiled in April 2013 The Westin Garden, a 480-square-metre green oasis in the heart of Tokyo. The hotel commissioned renowned landscape artist and five-time Chelsea Flower Show gold medallist, Kazuyuki Ishihara, who is well known for his ability to transform greenery, floral design and garden concepts into sophisticated works of art.

The exquisite garden represents traditional Japanese life – with its colourful flowers appearing like precious jewels strewn along a winding stream filled with small, bright orange goldfish. Designed with European influences and adorned with blooming flowers each season, every month of the year will offer different colour hues dominating the scene. The plum tree, for example, shows its first blossoms in February, and is in full purple bloom by March. For guests and local residents alike, the garden serves as a tranquil retreat for reflection and renewal.

Mr Ishihara utilises the space to the utmost – placing high priority on the balance of the ecosystem in a three-dimensional landscape. “We have always shown strong interest in taking the lead to create a natural environment and in promoting healthy

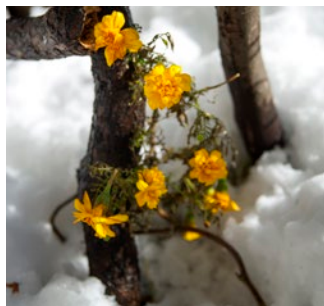
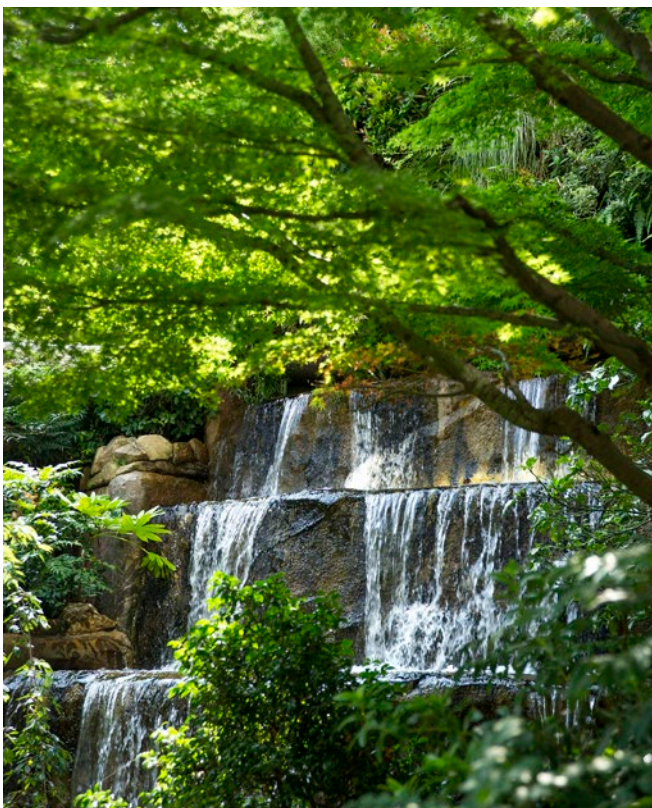
living, arts and culture,” says Dietmar Kielnhofer, general manager. “We are delighted to embrace yet another sustainable initiative.”

The Westin Garden enhances the guest experience in providing beautiful photo opportunities for weddings – the garden paths, lit with candles, combine with the stars above for a romantic rendezvous. Outdoor cocktail parties for social gatherings are possible from spring through autumn, and exclusive private dinners in summer are accompanied in June by fireflies glowing in the small stream.

The Westin Tokyo remains a prominent landmark in Yebisu, one of Tokyo’s most elegant neighbourhoods. The Westin Garden, open to the public, is a wonderful way to contribute to the local community, and serves as a natural refuge to relax and recharge for garden enthusiasts and naturalists in all four seasons.

The innovative Westin Garden further extends the brand’s promise of helping guests leave feeling better than when they arrived. “We wanted to create a contemporary designed garden where guests can relax and enjoy the peaceful atmosphere in a sophisticated environment,” explains Kielnhofer.

As The Westin Tokyo celebrates its 20th anniversary this year, the timing of The Westin Garden’s opening during the previous spring could not have been a more perfect prelude.



Martin Glatz

Commercial Counsellor and Executive Director, Austrian Business Council

www.advantageaustria.org/jp

Text **EUROBIZ STAFF**

Imagine being a chamber of

commerce with 100% membership. Such is the case in Austria, where all companies are required by law to be part of the Austrian Federal Economic Chamber (Wirtschaftskammer Österreich, or WKO). In Japan, the WKO is represented by Advantage Austria, the country's trade promotion organisation (TPO) which also manages the Austrian Business Council (ABC).

"By combining the traditional roles of a local chamber, a national TPO embedded in a powerful business organisation and the commercial section of an embassy, we are in a position to create synergies which ultimately benefit our clients," says Martin Glatz, commercial counselor at the Austrian Embassy in Tokyo and ABC executive director.

With more than 110 offices in 70 countries, Advantage Austria provides a wide range of strategic business and development services to both Austrian companies and their international business partners. And, with 750 employees and 40 consultants, Advantage Austria is one of the largest trade promotion organisations in the world. Every year, it organises more than 1,000 events, offering a platform for Austrian companies in foreign markets.

Those heading Advantage Austria offices are all accredited diplomats or commercial counsellors in charge of the commercial sections of Austrian embassies. Their status emphasises the importance of the organisation and facilitates their work, especially in countries like Japan where protocol matters.

At the Tokyo office, 15 staff members cater to roughly 800 companies annually, with a special focus on new market entrants.

"A distinct advantage—all the more important in the current information

age—is the coordinated and structured accumulation of data at our office," says Glatz. "We are well aware of the needs of Austrian companies coming to Japan, of those already operating in Japan, of Japanese business partners as well as of government-related data.

"Through our head office, for example, we are able to directly feed concerns of our companies into free-trade negotiations," he adds.

Glatz says that managing the ABC with resources provided by Advantage Austria saves on costs. These savings are then passed on to members, which he feels receive more value for their money than if the organisation had a "traditional" chamber structure.

"All in all, I would call it a well-devised and unique system which constantly earns us top places in international rankings of TPOs."

In terms of success stories, Glatz prefers to talk about specific sectors rather than companies. Advantage Austria has focused on industries such as forestry and railways, with the office helping firms in the latter industry by organising exhibitions, and holding technical workshops and networking events.

In the forestry industry, Advantage Austria went for a more comprehensive approach—combining valuable forest management knowhow with the introduction of specialised equipment. Preliminary market analyses done by in-house experts showed that foresters in Japan benefitted the most if properly trained on the use of Austria's advanced machinery. Advantage Austria set up lectures and training courses for Japanese foresters, both in Austria and here, in cooperation with Austrian forest education institutions.

"We presented Austrian forest technology in action and won the trust of



© ADVANTAGE AUSTRIA

ALL IN ALL, I WOULD CALL IT A **WELL-DEvised** AND UNIQUE SYSTEM

Japanese partners and clients," notes Glatz. "Gains in knowhow have led to an expanding market which is now served to a large extent by Austrian suppliers. The sustainability of Austrian forest management was recently underlined when Japan approved Austrian spruce under its Wood Use Point System, an achievement only shared with American Douglas fir so far."

In the future, Glatz sees Austria-Japan relations getting even stronger.

"They will continue to grow. Last year was another record year for our exports to Japan. Equally, the number of Austrian companies interested in the Japanese market has increased significantly, and the number of ABC members has surged by some 30% during the last three years. There is no reason why this trend will stop." 

Rating Abenomics

Financial analysts divided on its success

Text **GAVIN BLAIR**



As Abenomics reaches the 16-month mark, opinion remains divided on its success. The giddy stock market rally of 2013 has given way to an all-too-familiar downward slide so far this year. Trading volumes are still higher than pre-Abe levels, but the torrent of fresh capital that poured into Japan—much of it through the local operations of foreign finance firms—has slowed significantly. Many investors, both domestic and global, are now waiting to see whether the meaningful structural reforms that Abe promised actually materialise. Most

companies in the finance sector are taking a similarly cautious approach before boosting investment or staffing levels.

Although there is consensus that the Third Arrow (boosting competitiveness through fiscal reform) has yet to take flight, even economists at European banks in Tokyo don't agree on what Abenomics has achieved so far. Takuji Aida, chief Japan economist at Société Générale (SocGen), believes the deflation dragon has finally been slain and a real recovery is underway. Meanwhile, Hiromichi Shirakawa, chief economist at Credit Suisse in Tokyo, thinks the demon

of stagflation (inflation rate high, economic growth rate slowing down) has been summoned and trouble lies ahead.

This time it really is different says SocGen's Aida, pointing to what he sees as the crucial indicator that Japan can pull out of the deflationary cycle that has plagued the economy since the bubble burst in the early 1990s. Aida suggests that the corporate savings rate doesn't crop up much in discussions on economics, as it rarely exists to a significant level in most countries. In Japan, the rate has been in positive territory since the 1997-8 Asian financial crisis. That is, years of low investment, cost-cutting

“ABENONICS NEEDS TO PROVE ITSELF BY DELIVERING THE MEAT OF THE ... PLAN”

Hiroshi Matsubara

and falling wages have depressed private demand. The rate has shown a close correlation with other key indicators, including the consumer price index (CPI), and been inversely correlated with the government deficit, due largely to shrinking tax receipts when corporate activity is weak. According to Aida, this means the government is effectively taking up the slack of low corporate investment by running a deficit in its own finances.

“When the rate begins to fall, that is a turning point for recovery,” says Aida, who points out how recent fiscal year quarters have shown falling corporate saving rates and rising prices. “Abenomics’ three arrows are all aimed at stimulating this corporate activity.”

Aida says overall expansion in wages is also crucial for Abenomics to be sustainable, along with on-going economic reforms. He points to the nine reform laws passed in the last Diet session, and 30 more in the pipeline for the current one, as proof that change is on its way.

The major risk is that fiscal tightening will be caused by the two consecutive consumption tax increases, according to Aida. “That would be the end of Abenomics,” he says. However, he adds that Abe is more than aware of the dangers and is implementing expansionary measures to compensate.

Daiju Aoki, senior economist at UBS Securities Japan, believes that the consumption tax hike will be offset by an increase in social security spending. “Over the short term, the wage increase, including summer bonuses for SMEs [small to medium-sized enterprises]; recovery in real exports; and intensive use of public spending by September should support the recovery after a pull-back from front-loaded consumption.

“In case the impact becomes more prolonged than we expect, the Bank of

Japan [BoJ] and the government should agree on additional policies to prevent short-term deterioration,” says Aoki.

Credit Suisse’s Shirakawa spent 16 years at the BoJ, including as a special assistant to the bank’s governor during the Asian currency crisis in the late-1990s. He is far from convinced that the financial picture is getting better.

“The biggest problem is significant inflation caused by money printing and the hike in the VAT [value added tax]. Money printing has had a bigger effect on CPI than expected.” Before the consumption tax rose to 8%, he felt the CPI could hit 4% in April when the tax rate hike took effect.

Shirakawa believes 4% inflation would be too high for Japan. “We’re not an emerging economy. Look at the US and Europe, where CPI is around 1%; people aren’t complaining about deflation.

“We could be looking at stagflation, because the job market hasn’t improved and wages haven’t risen. The fall in the unemployment rate is due mainly to a shrinking workforce,” he adds.

Aoki of UBS Securities disagrees on stagflation, though, saying: “The pace of yen weakening has been much slower than that of last year. The government will also implement additional deregulatory paths with a corporate tax cut, which potentially could increase domestic demand.”

Last year saw more middle-aged women join the labour market, a trend Shirakawa believes may continue due to more homemakers needing to work to cope with rising prices and squeezed family budgets.

“The misery index [that measures how ordinary people are faring by applying an economic indicator that adds the unemployment and the inflation rates] could reach 7.5%, the highest since the oil shock of 1974,” says Shirakawa. “Social

welfare has been damaged. Japanese consumers are seeing their purchasing power declining.”


Without job generation, labour market reforms and a shift in immigration policy, Shirakawa predicts the Abenomics-driven stock market rally will see further downward corrections. “The headache is that if the BoJ doesn’t continue monetary easing, then equity markets will fall. But, if there is more easing, [this also] could exacerbate the situation,” he says.

“Foreign investors are confused by Japanese policymakers’ actions,” adds Shirakawa. “Many expected continuous money printing. This year the Japanese markets are going to be very bumpy.”

This uncertainty has kept Shirakawa and Credit Suisse busy, as investors try to make sense of the signals coming from the BoJ and the government. “Demand remains elevated for us; [overseas investors] are interested in whether this is sustainable.”

UK-headquartered Fidessa supplies electronic trading systems and other software to finance sector firms. Hiroshi Matsubara, head of marketing in Tokyo, says that, while the mood in the Japanese financial markets is still positive, caution remains the byword.

“Despite the fact that the securities houses hit record-high revenue figures for the 2013 fiscal year, they are keeping cautious on IT spending,” says Matsubara. “This means that financial vendors like Fidessa are not necessarily feeling the benefit of the recent Abenomics[-driven] market rally.”

Matsubara further suggests: “The 2013 market rally was based on expectations for Abenomics, backed up by historic [monetary] easing by the BoJ. Now we are moving into the stage that Abenomics needs to prove itself by delivering the meat of the [government’s economic stimulus] plan.” 

Recruitment matching new demands

As of May, IGS will be entering its third year within the Intelligence Group. There have been some significant milestones as the international arm of Intelligence providing top bilingual professionals for multinational firms operating in Japan.

We have reached more than 40 members, built long-term relationships with key clients, further deepened our professional networks, developed and launched a cutting-edge website. Most critically, IGS has started generating profits on forecast.

We have solidified our standing within several key sectors, such as IT, Finance, Consulting, HR and Accounting, as well as expanded into the Industrial sector. By taking on this latter challenge, we developed a team of 10 specialists capable of focusing on areas such as Automotive, Chemical, Energy/Solar and Environmental.

The other day, we discussed market and recent movements within the Industrial sector.

Starting with the Environmental team, it was interesting to learn that everything seems to stem from here. There was discussion on the somewhat superficial, but highly publicised, targets set by the Japanese government,

in their goals to reduce greenhouse gas emissions and, further to that, how the 2020 hosting of the Olympics has had the greatest effect of all. There is a huge push for all companies to be in line with the health and safety regulations – hence, we have seen a corresponding drive by all concerned to find EHS (environment, health and safety) professionals.

The Energy team has many client relationships within the solar sector. They explained that, unfortunately, the solar boom of a few years ago seems to be waning. While the incentives from the government successfully brought numerous solar firms to Japan, several eventually closed down; and the government's inability to extend such subsidies to the commercial side has hindered the sector severely. If not sorted out over the next few years, the commercial sector more likely will be looking to other clean energy sources; this will have a massive impact on recruitment.

Another area that has rebounded dramatically is the Automotive and Auto parts industry. With the theme of green and clean energy sweeping across the planet, the Automotive industry found itself at a crossroads several years ago. The push now is for cleaner,

more fuel-efficient automobiles, and the standards for quality have gone through the roof. Subsequently, the demand for ECU (engine control unit) Engineers far outweighs supply. Companies are more than happy to utilise the top headhunting firms, recruit directly, or even train top talent right out of college.

The Specialty Chemicals area encompasses Plastics, Coating, and Adhesives. As the Automotive industry improves its products and optimises quality, the companies must also constantly be improving on the materials used. All of our clients within the Specialty Chemical area are in need of qualified Sales Engineers, but frankly this market can be somewhat conservative and finding such professionals who are interested in making the move pose quite a challenge. At IGS, our success has come from advising Sales Engineers about the opportunities to learn new technologies, learn from other professionals, gain experience in a new area, and to take on new challenges elsewhere.

If you have any questions on the market, please feel free to contact our Senior Manager, Industrial, Chad Kreller.



Chad Kreller, an expert in the industry with 10 years of experience, is currently the Sr. Manager of the Industrial Team at IGS

chad.kreller@inte.co.jp

03-6267-7932



igs.inte.co.jp



Udon power

Kagawa company generates electricity from leftover noodles

Text and photo **ROD WALTERS**

Kagawa prefecture, in the northeast corner of Shikoku island, southwestern Japan, has long been known for its Sanuki udon. These thick, white noodles are made from wheat flour and are higher in protein, giving them a superior flavour and texture. In the past ten years, Kagawa has enjoyed a culinary tourism boom based on these simple but very palatable noodles. People will drive for hours from mainland Japan to Takamatsu, capital of Kagawa, just to dine on Sanuki udon.

Although the noodles provide a welcome boost to the regional economy, development comes at a price. When the udon is boiled, it leaches starch into the water and, with so many noodle restaurants in Takamatsu, the city's waterways have become polluted by the runoff of cooking water. This issue is being addressed with the development of small water treatment machines and fines for polluters.

Another issue is the question of what to do with all the odds and ends of uneaten udon. Organic waste such as uneaten food often ends up in landfills, decaying and releasing methane, a potent greenhouse gas. However, in sufficiently large quantities, food waste can be a significant economic resource.

Chiyoda Manufacturing, an industrial machinery manufacturer in Takamatsu, recognised the opportunity in leftover udon, starting a business generating electricity from waste noodles. President Eiji Ikezu came up with the idea when he learned that the annual volume of waste udon in the prefecture is about 1,000 tonnes.

His company started selling electricity to Shikoku Electric Power at the end of January. Chiyoda was already producing bioethanol using udon offcuts and other waste from the noodle manufacturing process. However, the recycling process also creates residue, so Ikezu's firm built a new plant with a tank for fermenting residue, producing methane which drives an electric generator with a turbine.

“OUR GOAL IS TO SITUATE **METHANE PLANTS** AT SITES WHERE WASTE IS PRODUCED”


“Methanation is an old idea and from a technical point of view, it's not particularly difficult,” says plant manager Tetsuo Ozaki. “The main issue is what to do with the final residue. We've taken steps to reduce the odour and make it easier to use as fertilizer.”

The plant can process three tonnes of noodles per day. When waste udon is in short supply, the difference is made up with waste from local restaurants. The equipment generates a maximum of 180,000 kilowatt hours of electricity per year, enough to power about 50 homes. The sale of electricity is expected to realise about ¥7 million in annual revenue.

Ozaki adds, “Amortisation is expected to take between seven and 10 years.”

Along with Green Consumer Takamatsu, an NPO that makes paper out of used disposable chopsticks, and noodle maker Sanuki Mengyo, Chiyoda is a member of a project to make udon more environmentally responsible through recycling. That includes fuelling the heating of noodles with recycled udon waste.

“For the future, we want to develop a mid-sized methane plant that can handle three to five tonnes a day,” says Ozaki. “We're thinking in terms of food manufacturers, intermediate waste disposers and livestock farmers.”

“Our goal is to situate methane plants at sites where waste is produced, so that it doesn't have to travel.” 

Revved up

*Magnus Hansson keeps Jaguar
Land Rover in the fast lane*

Text MIKE DE JONG Photos BENJAMIN PARKS



Growing up in Sweden, Magnus Hansson was a huge ice-hockey fan. The hard-hitting, competitive nature of the sport appealed to his personality, along with the commitment it took to become a top professional. Today, Hansson brings that same competitive fire to his role as CEO and representative director of Jaguar Land Rover Japan. However, he also has to use discipline in seeing the “big picture” for the iconic brands.

Last year, the company sold more than 425,000 vehicles worldwide, a 19% increase over 2012. New sales records were set in 38 markets including Japan, where sales increased 56% over the previous year.

The venerable British automaker’s turnaround was so dramatic that UK newspapers could not stop gushing, calling Tata’s purchase a “stunning success story” and the “deal of the century”. One columnist even pointed out that Tata had bought JLR for “less ... than it


unique in that it offers two completely distinct types of brands, geared towards completely different market segments. Land Rovers are rugged, all-terrain, four-wheel-drive vehicles aimed at the driver who likes “the dream” of off-roading but also of being seen in the city. The sleek and sinewy Jaguar, on the other hand, is aimed at the sport and elegance buyer. These “iconic authentic” brands, as Hansson calls them, are what attracted him to the company in the first place.

“They’re very well positioned and well carved out,” he says. “They have a very distinct identity in the automotive universe. There is really nothing like Jaguar, the original British sports car. And there’s nothing like Land Rover, the only true authentic premium SUV brand in the business.

“It is still a business that is consumer- and brand-driven. And if you have the brands properly aligned, and the products aligned ... if you get the rest of the operational stuff in order, this is the type of business where you can make it happen”.

In Japan, the company’s bestsellers have been the Range Rover Evoque and the Jaguar XF. Hansson says consumers can also expect new product launches over the next few years, with more vehicles designed for the Japanese market, with smaller powertrains.

With a price tag above ¥20 million for the highest models, Jaguar or Land Rover may be out of reach to the average consumer. And Hansson admits that his target market is not the driver that is worried about getting a discount price, or adding a few kilometres in fuel economy. It’s the high-end car aficionado; someone who appreciates individuality and luxury and isn’t afraid to pay for it.

“I can assure you that nobody in Japan, or anywhere else for that matter, is buying a Jaguar or Land Rover by accident,” he adds. “They’re buying it because they’ve fallen in love with the proposition one way or another. And it’s important for us to both have some respect for that, but also to understand it, because that’s ultimately our business model.” 



“Obviously, I’m competitive. But the measuring sticks for competitiveness are different depending on which segments you’re at,” says Hansson. “I think understanding what our business proposition is about—it’s about building long-term brand power—and long-term brand power is less measurable on a day-to-day basis.

“Sales numbers and volume numbers are measurable on a day-to-day basis. Building stronger emotional brand power is measurable only over a longer period of time,” he explains.

Building brand power is certainly something that the company has been doing over the past few years. Since being purchased from Ford by India’s Tata Motors in 2008, Jaguar Land Rover (JLR) sales and profits have skyrocketed.

made in profits over the last 12 months.”

Hansson, who took over the company’s Japan operations last November after career stops at Swedish SAAB and Nissan-Infiniti, knows that with success comes pressure. But he believes further growth is attainable.

“I think the key factor is that our brands are propositions that respond well to Japanese people,” he says. “Not all Japanese people; Jaguar and Land Rover are not intended for everybody. But the brands are well-positioned, and what’s happened in the past couple of years is that we’ve had a couple of product launches that have been very good fits for the Japanese market, which has helped us reach more customers.”

With a network of 34 dealers across the country, Jaguar Land Rover is



Always looking ahead

International education is about preparing for the next step

Text **DAVID UMEDA**

In so many respects, education is focused on where the students are headed—being prepared for the next school year, or what awaits them beyond the classroom. The Japan Council of International Schools (JCIS), for example, considers itself to be a collegial and collaborative organisation that exists for the betterment of all international schools in Japan. A key point raised by JCIS, nonetheless, is its motivation to be of benefit “to the parents who choose the schools and to the children who attend them”.

As an IB World School, Yokohama International School (YIS) offers all three main programmes of the International Baccalaureate. “The international nature of these programmes means that our teaching and learning are not tied to any one culture or nationality,” explains Craig Coutts, Head of School. This allows students of all cultures and backgrounds to access the curriculum.

Sakura House & Sakura Hotel—which provides both monthly and daily accommodations and personalised service for Japan’s foreign community—welcomes guests from over 100 different countries, points out Masayo Namiki, sales manager. “We aim at creating a place where long-lasting friendships and memories are born.”

Coutts of YIS points out that the international nature of their programme “is taken further through the celebration of

the international makeup of our community, which creates an accepting environment that is enjoyed by students and parents alike.”

Sakura House & Sakura Hotel is here for the long haul. “We will keep providing an environment where all our guests, regardless of their culture and origins, can enjoy their stay in Tokyo,” emphasises Namiki.

Beyond city limits, programmes are run year round by Evergreen Outdoor Center—based at the foot of the Japan Northern Alps in Hakuba, Nagano—that aim “to incorporate a sense of respect and stewardship for the natural surroundings”. Such planned activities “allow for the growth and development of the human spirit through personal interaction with the natural environment.”

Dynamic

The biggest challenge facing international education is preparing students to succeed in understanding the fast-changing knowledge economy, according to D.J. Condon, Headmaster at the Canadian Academy (CA). “In order to meet this challenge, Canadian Academy has created Pathways, an alternative specialised learning programme.” Pathways is open to any high school student enrolled at CA who has special interests, abilities, needs or passions.



“Pathways looks to create a specialised educational experience through a variety of means,” continues Condon, “from online courses, external instruction, internships, mentorships to problem-based learning.”

At St. Alban’s Nursery, self-directed learning takes place. “The classroom, materials, activities and social setting are prepared by our teachers who provide the necessary resources and encourage children to make their own choices,” explains Gilma Yamamoto-Copeland, director.


Seisen has been an international school for over 50 years. “Our identity has evolved from being merely a school of students and teachers from over 50 countries, to permeating our programme with international mindedness, preparing students to be critical, caring citizens,” says Sr. Margaret Scott, school head.

The learning environment at St. Alban’s Nursery also aims to make the children become world learners and caring leaders.

“In a safe, positive and nurturing environment, each child forms a relationship with teachers and peers based on trust and respect that foster self-confidence and willingness to try new things,” adds Yamamoto-Copeland.

Seisen has realised a need to move beyond just preparing students to be responsible citizens. “We want to create and foster global mindedness where difference and diversity come together in a shared responsibility for the common good of the whole of humanity and our planet,” says Sr. Scott.

The schools of the Tokyo Association of International Preschools (TAIP) collectively recognise that the selection of a school for one’s children is a great responsibility. While the general public has access to international school lists and links to relevant websites, TAIP “encourages parents to visit by appointment any school in which they may be interested”.

Seeing first-hand is perhaps the best way to be looking ahead. 



Canadian Academy inspires students to inquire, reflect and choose to compassionately impact the world throughout their lives

Canadian Academy

T: 078-857-0100 F: 078-857-3250

admissions@canacad.ac.jp www.canacad.ac.jp

Founded in 1913, Canadian Academy (CA) is a private, co-ed, international day and boarding school in Kobe. CA serves 580 students, ages 3-18, coming from 41 different countries. An IBO World School, CA offers academic excellence and outstanding facilities.

Canadian Academy is pleased to announce the inauguration of the CA Merit Scholarship programme, which will award up to ¥600,000 to a limited number of highly deserving new students in Grades 8 to 12, for the 2014-15 school year.



Personal interaction with the natural environment, personal challenge and teamwork, while maintaining safety

EVERGREEN OUTDOOR CENTER

Tel: 0261-72-5150 FAX: 0261-72-8056

tours@evergreen-outdoors.com www.evergreen-hakuba.com

Evergreen Outdoor Center, based at the foot of the Japan Northern Alps in Hakuba, Nagano has been operating guided tours since 2000, and has been instrumental in developing outdoor recreation activities, ecology tours, and mountain safety courses in Nagano. With programs that run year-round, we aim to incorporate a sense of respect and stewardship for our natural surroundings; as they are not only a great place to play in, but are home to a vast array of life including ourselves!



Learning. Love. Laughter.

Our non-directive approach encourages free choice, fostering each child's individuality in a caring, very personalized atmosphere.

St Alban's Nursery

3-6-25 Shiba-Koen, Minato-ku, Tokyo 105-0011

Tel: 090-6480-4542 stalbins@saintalbans.jp

St Alban's Nursery, under the effervescent leadership of programme director Gilma Yamamoto-Copeland and her experienced staff, offers a select programme of learning and self-discovery for English-speaking preschoolers of all nationalities, based on the Montessori method. Established in 1972, in the quiet, leafy surrounds of St Alban's Anglican-Episcopal church, close to Tokyo tower, it has a large, safe outdoor playground and quiet off-street drop-off and pick-up area. Maximum 25 students. Parents are very welcome at all times.

For Monthly Stays

Real estate agency in Tokyo, JAPAN

SAKURA HOUSE



Monthly Accommodation in Tokyo Exclusively for the International Community

1,500 Rooms and 150 Locations all over Tokyo

Monthly Fee and Deposit ONLY!

All service fees & utility costs included and free Internet access available.

Tel : 03-5330-5250

Email : info@sakura-house.com

www.facebook.com/SakuraHouseTokyo

@sakura_staff

www.sakura-house.com

For Daily & Weekly Stays

Affordable and Friendly Hotels in Tokyo

SAKURA HOTEL & HOSTEL



Staying with us provides more than just a chance to experience the culture and spirit of Japan. Guests of Sakura Hotel have the chance to make friends with people from all over the world.

Free Wi-Fi, 24hours Cafe, 4 convenient locations in center of Tokyo!



• **SAKURA HOTEL IKEBUKURO**
TEL : 03-3971-2237
E-mail : info@sakura-hotel-ikebukuro.com
 @ikebukuro_hotel



• **SAKURA HOTEL HATAGAYA**
TEL : 03-3469-5211
E-mail : info@sakura-hotel-hatagaya.com
 @hatagaya_hotel



• **SAKURA HOTEL JIMBOCHO**
TEL : 03-3261-3939
E-mail : info@sakura-hotel.co.jp
 @jimbocho_hotel



• **SAKURA HOSTEL ASAKUSA**
TEL : 03-3847-8111
E-mail : info@sakura-hostel.co.jp
 @asakusa_hostel

www.sakura-hotel.co.jp SakuraHotelTokyo

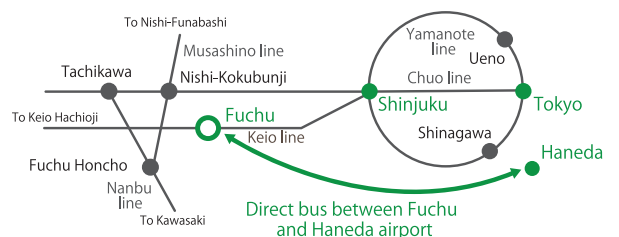
For your accommodations in Tokyo, JAPAN

Hotel Continental

1-5-1 Fuchu-cho, Fuchu-shi, Tokyo
TEL 042-333-7111 FAX 042-333-7117



- Best in Value and Convenience.
- 20 minutes from Shinjuku.
- Nine conference rooms available for a variety of uses.
- Accommodate groups from 10 to 160 people.
- Wi-Fi available.



www.hotel-continental.co.jp/english

DISCOVER JAPAN'S

Northern Alps

4 Season Guiding & Instruction in Hakuba



**Evergreen
Outdoor
Center**



Over a Decade of Professional Service

SUMMER CAMPS IN THE JAPAN ALPS



JULY - AUGUST

- 5 & 10 DAY CAMPS
- AGES 8 - 16
- NATIVE ENGLISH COUNSELORS
- PICK-UP & DROP-OFF FROM TOKYO



EXECUTIVE TEAM BUILDING



Create a Foundation of Trust & Communication to Achieve Your Goals

**Evergreen
Outdoor
Center**

Tel. 0261-72-5150

www.evergreen-hakuba.com



YOKOHAMA INTERNATIONAL SCHOOL

A Truly International Learning Community



Located just over 30 minutes from central Tokyo, YIS is an independent, not-for-profit school for children ages 3-18. Centering on the International Baccalaureate, our academic programs foster the communications skills, critical thinking and global perspectives young people need to thrive in an increasingly interconnected world. We take special pride in our warm and welcoming school community and invite you to come experience YIS first-hand.

2014 SUMMER PROGRAMS

June 23 - July 4

Individualized and engaging summer programs on offer for international school students of all ages. Details and online application available at:

www.yis.ac.jp/summer

Yokohama International School

www.yis.ac.jp | 045-622-0084 | admissions@yis.ac.jp

Seisen International School

Tokyo, Japan

K-12 Catholic School



Coed, Montessori Kindergarten offering full-day and half-day programs from age 2

Girls only, grades 1-12 offering PYP and IB Diploma programs

www.seisen.com

Abe speaks

Prime Minister at The Economist Japan Summit 2014, 17 April

Text and photo **MIKE DE JONG**

When it comes to high-profile, keynote speakers, you can't do much better than the prime minister of Japan. Shinzo Abe kicked off The Economist Japan Summit 2014 by saying that "a golden opportunity to put the economy onto a stable, new growth track is now upon us."

In a 30-minute address that touched on issues such as free trade, immigration and diversity, Abe stated that the goal of his government is to "enrich each and every individual and deliver the fruits of growth to every corner of the nation." Citing Japan's "geographic advantage" in the "very centre of the Pacific Rim"—as a neighbour of the world's growth centre, stretching from SouthEast Asia to India—the prime minister said Japan's direct investment in countries such as Vietnam and India would "most certainly give rise to vigorous demand for Japan's machine tools and capital goods."

"There can be no doubt that the great growth centre of Asia will continue to propel Japan upward for quite some time," he added.

Domestically, Abe outlined his government's latest initiative: the creation of six National Strategic Economic Growth Areas. These areas—Tokyo, Kansai, Okinawa, Niigata, Yabu (Hyogo prefecture) and Fukuoka—would be sites for "experimental endeavours" to "benefit the entire nation". However, he gave no specifics of what these endeavours would entail.

Speaking one week before the expected visit of US President Barack Obama to Japan—and on the same day that his senior economic minister travelled to Washington to discuss the Trans-Pacific Partnership [TPP]—Abe said that he would be "accelerating negotiations on economic partnership agreements [EPAs] with our various partners around the world at an entirely different degree of speed than we did in years past."

He also pledged to make all-out efforts to realise a trade deal with the EU.

"The realisation of these two agreements means the advent of a truly

immense market," said the prime minister. "What will emerge is a free and open—as well as highly advanced and integrated—economy. A single enormous growth engine that will benefit the entire globe will kick into life.

"I intend to achieve this future, no matter what," he added.

On immigration, Abe said Japan must cast off its "inward-focused stance" and welcome people who want to pursue job opportunities or further their studies. "It is imperative for Japan to open its economy further and become a country that actively incorporates outside vitality, along with human resources, capital and wisdom from abroad.

"We will have non-Japanese brimming with ability playing more active roles here," he added. "We must not be disrespectful of them, and our arms must always be wide open to them."

Abe also cited the issue of gender diversity, saying that Japan must improve a "way of thinking that tends to be male-oriented in virtually all aspects." In this regard, Abe has already mandated that 30% of all new government hires be women. He also called on listed companies to add at least one female board member.

"Once we reach a point where it will no longer be news to have a woman or a non-Japanese serving as a CEO," he added, "I'd say Japan will reinvent itself and recover the spirit of boldly taking on risks and pressing forward to innovate."

During a question-and-answer session following his speech, Abe was pressed on recent controversies concerning the Senkaku Islands dispute with China and his visit to the Yasukuni War Shrine in Tokyo. On the Senkakus, the prime minister would say only that it was up to China to uphold international law. On Yasukuni, which honours Japanese war dead, including 14 class-A war criminals, Abe said that the shrine could not be replaced as Japan's primary war memorial.

"It's a fact that [Yasukuni] is the main facility of remembrance, and the survivors' families also feel this way," said Abe,



“THE REALISATION OF THESE **TWO AGREEMENTS** MEANS THE ADVENT OF A TRULY IMMENSE MARKET”

who added that it would be unconstitutional for a government to order a religious institution to remove the war criminals.

Following the event, senior EBC members were generally pleased with the prime minister's address, particularly his comments on a European economic partnership agreement.

"He balanced the TPP with the EPA, putting them on the same footing," said EBC senior vice-chairman Michel Theoval. "Until now we had the impression that [EPA] had a secondary role. Now it seems like it's important."

"I agree," added Bernard Delmas, president of the French Chamber of Commerce in Japan. "It means, for me, that he put them on the same [level] of priority."

Legal Services//

Little progress for foreign lawyers

Text **GEOFF BOTTING**

Writing the white paper has recently been a bit of a struggle," says James Lawden, chairman of the EBC Legal Services Committee. "Things don't change. If anything, some things may have gone slightly backwards."

Indeed, in the latest EBC white paper, the committee states: "2013 has been a year in which there has been no perceptible improvement in the position relating to foreign lawyers in Japan."

While Japan becomes further engaged in free trade negotiations and its prime minister proposes bold reforms to the economy—including attracting more foreign direct investment—the situation for foreign lawyers in Japan has strangely remained stuck in neutral for many years, with no tangible sign of improvement on the horizon.

For the committee, the key issue is the recognition and approval process. Branching and introducing limited liability are the other two listed issues.

The approval process, says Lawden, "takes much too long. In a completely straightforward case, you may get it in three or four months; and it can take longer, up to six months, if anything

Legal Services Key advocacy points

→ **Recognition/approval** - The waiting period for the approval process for foreign lawyers should be shortened, and the requirement that foreign lawyers have a specific number of post-qualification years of professional experience should be abolished.

→ **Branches** - A piece of legislation currently in the Diet should be amended to allow for the establishment of corporations with foreign and Japanese lawyers, a move that would enable such corporations to open branches.

→ **Limited liability** - Japan should allow the introduction of limited liability structures.

difficult is involved."

In Singapore, by contrast, the process typically takes two weeks.

Another—and potentially much more onerous—aspect of this issue is the conditions that, in order to qualify as a foreign lawyer (*gaiben*) in Japan, the applicant must have three years' experience in the law of his or her home country, and that two of those years be

spent outside Japan. Japanese lawyers (*bengoshi*), it should be pointed out, need not have any professional experience after qualification to be recognised to practice.

Back when the *gaiben* system was rolled out a quarter of a century ago, the condition requiring experience outside Japan wasn't much of a problem, as the foreign lawyers were predominantly older expats. But Lawden points to a new generation who speak Japanese and are keen to work exclusively in Japan.

"They come here newly qualified, but then at some point they need to get registered when they start what might be considered doing legal business—for example, if they are going to be partners or maybe counsel," says Lawden, who is also managing partner at Freshfields Bruckhaus Deringer in Tokyo.

"So in order to be able to register them, you need to send them away for a couple of years, and then bring them back to Japan. That's a pain because the other offices [overseas] don't really want them; the offices know they're going to lose them after two or three years. Maybe it's a guy with a young family, and you've got to uproot them [too]."

Fellow committee member John

Maxwell adds that the requirement is counterproductive from a client's perspective as well.

"This isn't just about the law firm's self-interest, especially given the nature of Japanese clients. I think these clients want to have access to an integrated talent pool," says Maxwell, managing partner for Japan at Linklaters. "But the reality is that it becomes very difficult for [the affected lawyers] to stay involved in transactions on a day-to-day basis."

Lawden places the blame for the delays in registration on the process, whereby the Ministry of Justice is required to consult with the Japan Federation of Bar Associations (Nichibenren) in gaiben approval cases.

"The ministry itself is actually quite quick," he says. "The Nichibenren takes this role very seriously," he says, adding that, "In some cases, you might think that the relevant committee members have nothing better to do than scrutinize the minutiae of gaiben approvals." In addition, a lawyer is required to be accepted by a local bar association in order to be registered. The calendars of the relevant committees at the Nichibenren and local bar associations, which only meet once a month, inevitably lead to delay.

As to why the Nichibenren is given such extensive involvement, Lawden says, "part of the reason is the view that they need to be independent of the bureaucracy in order to avoid the abuses of the 1930s." He adds that he doesn't expect the Nichibenren to give up its authority anytime soon.

The other long-standing issue for the committee is branching. Under the law, legal firms need to set up legal corporations (*bengoshi hojin*) in order to open branches. But as it stands, foreign law firms—or joint enterprises with both foreign and Japanese lawyers—are barred from doing this.

Legislation aimed at changing that is currently in the Diet and expected to be passed this year. But there's one big catch: the corporations with foreign lawyers must consist entirely of foreign lawyers. In other words, firms with a mix of foreign and Japanese lawyers will still be barred from branching.

"Almost no one will use the new measure, because almost all of the big international firms have got bengoshi," the committee chairman points out.


This is an especially frustrating development for the committee. Its hopes were raised in 2009 when a study group recommended allowing such legal

“IF ANYTHING,
SOME THINGS
MAY HAVE GONE
SLIGHTLY
BACKWARDS”

corporations. At some point, the measure was watered down. "It appeared that the Japan Patent Attorneys Association, of all people, lobbied to have the law changed," Lawden says.

Why would patent lawyers be so concerned? "There is no logic to it, because we can associate with Japanese lawyers through an ordinary partnership anyway," Lawden shrugs.

Perhaps free trade agreements (FTAs), including the one possible between the EU and Japan, will lead to improvements for foreign lawyers in Japan, given that the concept of mutual recognition is central to these agreements.

"I'm not expecting much progress for us," Lawden says, "although the FTA may give us something to argue about." 



The precarious artist's path >

Text and photos **LUCY BIRMINGHAM**

Peter Miller was 46 and a successful businessman, living and working in Tokyo, when he embarked on the precarious artist's path. His "Ah ha!" moment had come a year earlier, when he saw the original prints of a 19th-century photogravure artist at an exhibition in New York city. He had been fascinated with photography since childhood, but always felt something was missing. The

three-dimensionality of the photogravure print grabbed him.

"When I saw Peter Henry Emerson's work I said to myself, 'That's what I want to do!'" says Miller. "So in 1991 I put aside consulting and took up artwork, much to the astonishment of a lot of the people around me.

"I'm now 68, and I've never looked back."

Miller is a rarity; one of a handful of people in the world who regularly

create photogravure handmade prints through the entire cycle. And it's not easy. It requires a major investment in equipment, chemicals and materials. The lengthy printing process demands an enormous amount of time and patience. Miller explains that it takes about one month to print one edition. And, it's far from a get-rich scheme. He purposely keeps his print prices within reach of those buying fine art prints.

"Yes, I can make a living," he explains.

“YOUR OWN
WELL-INFORMED
VISION IS THE
BEST GUIDE”

“But I’m more interested in helping people connect with art that they can enjoy and live with.”

Photogravure etching is part of the 500-year-old intaglio tradition, which includes line etching, mezzotint, aquatint, drypoint, and engraving—even images incised onto a copperplate and pressed into paper or Japanese washi. Certain subjects lend themselves to the black-and-white art form, including particular landscape forms, S-shaped curving rivers, fog and mist. Miller says black (or, occasionally, sepia or orient blue) etching ink on handmade paper or washi creates a depth of tonality and texture that is unique.

Miller also feels there’s a philosophical depth to the prints. “There’s a sort of counterpart of emotion, whether it’s longing or anticipation or memory. I’ve had any number of people at exhibits say to me, ‘You know, I’ve never actually been there but, darn it, I’ve been there.’” He says people seem to project favourable experiences or emotions onto the scene they see. “There are certain compositional forms—wherever they’re made—that evoke that sensibility ... usually desirable or happy thoughts.”

Interest in photogravure has been growing, says Miller, along with an understanding of its intrinsic scarcity and archival permanence. He talks about a growing hunger for handmade artwork. “There’s now a sort of revival of a 19th-century romantic notion of artwork, of the handmade ... artwork that is not digital prints or coming from the mass media.”



Peter Miller’s haunting handmade prints are based on a 500 year old tradition.

This new wave of interest has brought Miller international recognition. His exhibitions last year included three shows in Japan (Yokohama, Kochi and Izu) and two in Russia (St Petersburg and Moscow). He’ll have a show in Lithuania from 18 April to 7 June, with a Japanese artist based in New York and a Czech artist from Paris.

“All three of us live and work in countries other than where we were born, and have worked in other fields besides art,” he explains. “With this exhibit, we are suggesting a notion of Asian art that is not confined to any national school or tradition, but is accessible to specialists and non-specialists alike.”


Miller’s uniqueness ensures he is never categorised and also gives him wider accessibility. Interestingly, he has found easy acceptance in Japan. “I think the fact that I’m not doing something traditionally Japanese has something to do with it.” He cites the many foreigners who studied a Japanese art form in the traditional way, and encountered limited acceptance. Photogravure etching has never been practiced in Japan as a

traditional, fine art medium.

“The field in Japan has always been wide open ... in a sense, there’s no competition,” he adds with a laugh.

When Miller’s work was shown in Russia and France, people were also very accepting. “The details of one’s biography, what sort of work one did in the past, where one was born and grew up ... they’re interesting, but also incidental to a lot of viewers in the world today, which is an indication of what’s going on in the art world.”

He recalls one encounter with a French TV journalist. “The journalist felt I might be going against the grain of contemporary art and said, ‘Oh, so you’re making a revolutionary statement, aren’t you?’ But I think contemporary art is nonsense. It’s an invention of people who have no visual sense at all.”

His advice to art buyers: “Ignore the critics, the art historians and curators, except those who inspire you. Let your curiosity be your guide as you learn more about what excites you. Your own well-informed vision is the best guide.” Peter Miller: <http://kamprint.com/> 

who,
when,
where
whatever
it takes

 Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer is a global law firm with a long-standing track record of successfully supporting the world's leading national and multinational corporations, financial institutions and governments on ground-breaking and business-critical mandates. Our 2,500 plus lawyers deliver results worldwide.

From our office in Tokyo we offer our clients Japanese, English and US legal advice in relation to a wide range of financial, corporate and commercial matters.

With an integrated, bilingual team of foreign and Japanese lawyers we combine international experience with in-depth local expertise to guide you through any issues you may face, both in Japan and throughout the world.

For further information please contact us at tokyoinfo@freshfields.com

freshfields.com



STORYTELLING IS AN ART

Our unique StoryLab workshop helps us create compelling brand stories inspired by the arts, including video, photography, theater, poetry – even dance.

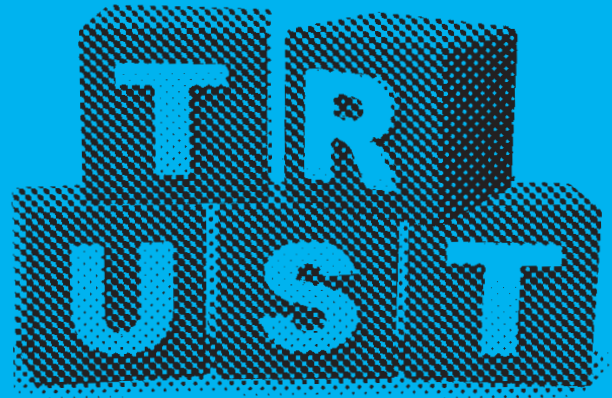


Edelman

SHOW UP DIFFERENTLY

#ShowUpDifferently Learn more at www.Edelman.jp Japan@Edelman.com

Building trust



What does trust mean in the corporate world?

BRAND AID is a forum for experts in public relations and communications.

Public relations people often talk about “managing corporate reputation”. Many companies spend large amounts of money trying to accomplish this objective. But is reputation actually the key builder of corporate value on which companies should be spending time and money?

Let’s think about this carefully. What exactly is reputation? At Edelman, we define reputation as the sum of your words and actions to date. In other words, your reputation is defined by what you have done in the past. Therein lies the difficulty we face in managing reputation. How do you manage something that has already been set in stone by your past words and actions? Not an easy task.

When we stop looking back and focus on the road ahead, we find that trust is equally, if not more important than, managing reputation. Trust is defined by how people expect you to act in the future. Do they expect you to do the right thing or the wrong thing? This future expectation is more relevant to building business value than reflections of the past.

So, how do companies build trust? By producing high-quality products and services, or good and consistent financial performance? Or is it that they have widely admired leadership?

In today’s world, it is none of the above.

For more than 14 years, we have been conducting the Edelman Trust Barometer survey. Now covering 27 countries, this survey is the largest look at corporate trust available. Over those 14 years we have seen a huge change in the drivers of trust.

For many years, “harder” factors concerning operational excellence (such as admired leadership and financial performance) were the key drivers of corporate trust.

“TRUST IS EQUALLY, IF NOT MORE IMPORTANT THAN MANAGING REPUTATION”

Today, you are expected to possess them—they are table stakes. But they are not what will drive trust in your organisation.


Rather, stakeholders everywhere now look to “softer” factors when deciding whether to trust a company. In Japan, the five top drivers of trust are whether a company handles a crisis responsibly; whether they are transparent and open;

how high the quality of their products is; whether they listen to their customers; and how they treat their employees.

Note that only one of these trust drivers—the quality of products—is an operational issue. The first two might be described as integrity factors. The last two we can define as engagement-related.

However, stakeholder expectations of firms today are very different from what most of them are focused on. So, how did Japanese stakeholders view corporate performance on issues that are important to them in deciding whether to trust a company or not?

We found out about five aspects to business that are most important to surveyed stakeholders—engagement, integrity, products and services, purpose, and operations—and found that there exists a large gap between business importance and performance.

We discovered that there is huge scope, and potential, for competitive advantage in companies building trust through improved engagement and perceptions of integrity. Corporate PR programmes need to focus on building trust for the future, and not managing reputations already set in the past. 



ROSS ROWBURY
is president of
Edelman Japan

Join+ support

EBC members can not only learn about important changes taking place in Japan, but also play a critical role in influencing change themselves.

To join the EBC visit
www.ebc-jp.com

For more information please contact the EBC Secretariat.
Alison Murray, EBC Executive Director.
Tel: 03-3263-6222. E-mail: ebc@gol.com



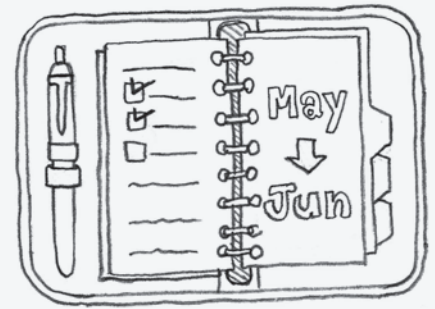
Roberto Pleitavino

President
Zwiesel Japan

reads

euRobiZ JAPAN

Upcoming events



► **Belgian-Luxembourg Chamber of Commerce in Japan**
www.blccj.or.jp

Monthly beer gathering

19 May, 16 June, Monday & 22 July, Tuesday,
19:00-23:00

Venue: Belgian beer café in Tokyo
Fee: Pay for what you drink
Contact: info@blccj.or.jp

► **French Chamber of Commerce and Industry in Japan**
www.ccfj.or.jp

Kansai CCIFJ Gala 2014

14 May, Wednesday, 18:30-21:00

Venue: Hotel New Otani Osaka, 2F
Fee: ¥25,000
Contact: Nobuko Yoshida, nyoshida@ccifj.or.jp

Fukuoka CCIFJ Gala 2014

9 June, Monday, 18:30-21:00

Venue: Agora Fukuoka Hilltop Hotel & Spa, Kyushu
Fee: ¥20,000
Contact: Nobuko Yoshida, nyoshida@ccifj.or.jp

► **Italian Chamber of Commerce in Japan**
www.iccj.or.jp

Seminar: Venetian Cuisine (Cicchetti)*

9 May, Friday, 19:00-21:00

Speaker: Chef Paolo Colonnello
Venue: The Italian Chamber of Commerce in Japan
Fee: ¥4,000 (members), ¥5,000 (non-members) for one lesson
Contact: promo@iccj.or.jp

* Series of 9 lessons – Mon: 19 May; 9, 23 June; 7, 22 (Tue) July.

Master of food courses and tastings

10-14 May, Saturday-Wednesday, times vary

Speaker: Dr Cristiano De Riccardis ("Slow Food Italia")
Venue: The Italian Chamber of Commerce in Japan
Contact: promo@iccj.or.jp

Italian Olive Oil Day 2014 & JOOP Japan Olive Oil Prize

17 May, Saturday, 10:00-20:00

Venue: TV Asahi event space "umu", Roppongi Hills
Admission: free
Contact: support@iccj.or.jp

► **Swedish Chamber of Commerce and Industry in Japan**
www.sccj.org

Swedish Business School

21 May, Wednesday, 09:30-20:00

Speakers: various, plus seminars
Venue: Swedish Embassy auditorium
Contact: office@sccj.org

Sweden Day*

7 June, Saturday, 10:00-17:00

Venue: Swedish Embassy
Fee: open to the public
Contact: office@sccj.org
* family midsummer celebrations, National Day of Sweden events, food & drink

► **Swiss Chamber of Commerce and Industry in Japan**
www.sccij.jp

May Luncheon*: "Do Japan and Switzerland face similar challenges for monetary policies?"

30 May, Friday, 12:00-14:00

Speaker: Dr Thomas Jordan, chairman of the Governing Board of the Swiss National Bank
Venue: Grand Hyatt Tokyo, Roppongi
Fee: ¥6,500 (members and non-members)
Contact: info@sccij.jp

* With the support of the Embassy of Switzerland in Japan

Tokyo CCI*/ICCJ joint networking event

20 May, Tuesday, 18:30-21:30

Venue: Armani Ristorante, Ginza
Contact: promo@iccj.or.jp

* Tokyo Chamber of Commerce and Industry

MAY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JUNE

S	M	T	W	T	F	S
						7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

BLCCJ/CCIFJ joint golf tournament

23 May, Friday, 08:30-16:30

Venue: Minami-ichihara Golf Club, Chiba
Fee: ¥15,500 (without bus), ¥19,000 (with bus)
Contact: info@blccj.or.jp or nyoshida@ccifj.or.jp

Compiled by DAVID UMEDA



POOL, loss of colour

Photos **Jeroen Bisscheroux**

The artwork *POOL, loss of colour*, by Dutch artist Jeroen Bisscheroux, tricks the eye. Set on the floor of an Osaka shopping centre, the images focus on a carpet made with the photo of an old swimming pool—including dilapidated tiles and little water—giving viewers the impression that people are walking on it. The carpet is

the size of an actual swimming pool, complete with tiled edges, meant to represent the suppression pool of the Fukushima nuclear power plant. While pools are generally fun, this image is intended to remind us that the human tragedy in Tohoku will have long-lasting consequences. **e**





Oliver Ryf

Managing Director, HIESTAND Japan Ltd.

HIESTAND Japan is a member of ARYZTA, one of the biggest bakery groups worldwide. In Japan, the sales organisation imports bakery products from various countries such as Switzerland, Germany and France. The wide range consists of viennoiserie, with butter-rich croissants and Danish, artisanal bread rolls and loaves as well as savoury snacks. Food service and retail customers all

over Japan can choose from approximately 150 products that can be easily baked on-site and served oven-fresh anytime.

"It's a great pleasure and honour to contribute our part in improving the bakery offer in Japan," says Ryf. "And it's amazing to see how much dedication and creativity our Japanese customers have. There is no better motivation you can possibly ask for."

Photo **GENEVIEVE SAWTELLE**

NEW F-TYPE COUPÉ
SO ALIVE,
パワーで、虜にする。

JAGUAR.CO.JP



JAGUAR

HOW ALIVE ARE YOU?

F-TYPE ¥8,230,000 | F-TYPE S ¥10,290,000 | F-TYPE R ¥12,860,000

●全長4,470mm x 全幅1,925mm x 全高1,315mm ●2,994cc V6 DOHC スーパーチャージャー付、最高出力 340ps/6,500rpm (F-TYPE) | 2,994cc V6 DOHC スーパーチャージャー付、最高出力 380ps/6,500rpm (F-TYPE S) | 4,999cc V8 DOHC スーパーチャージャー付、最高出力 550ps/6,500rpm (F-TYPE R)

*価格には保険料、税金(8%消費税を除く)及び登録に伴う諸費用は含まれておりません。*実際の販売価格については、正規販売店までお問い合わせください。*リサイクル料金が別途必要となります。*写真はF-TYPE R。写真は日本仕様と細部で異なる場合があります。*現行税率(8%)に基づく消費税込価格を表示しています。



WIDEN YOUR WORLD

NAME / İSİM

LIONEL MESSI

FROM / NEREDEN

ISTANBUL

TO / NEREYE

KILIMANJARO

#KOBESMESSI

TURKISHAIRLINES.COM