

EURO BIZ JAPAN

MAY 2017

🌀 An explosive issue

Both sides of the nuclear energy argument in Japan

🌀 Not cutting the mustard

Japan's food safety regulations lag behind international standards

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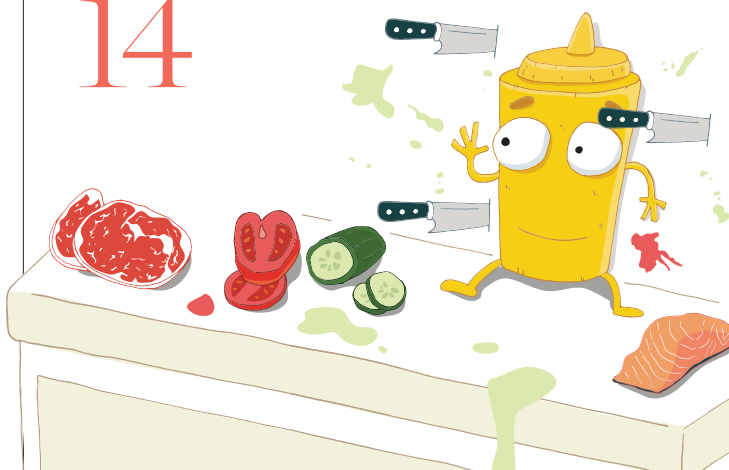
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Mining the flexible economy

By David McNeill





First Focus

The Buddhist temple Engaku-ji, in Kita-Kamakura, was founded in 1282 as a centre for Zen. Ninety years ago, on 20th May, 1927, Kita-Kamakura Station opened, with the tracks of the Yokosuka Line cutting across the formal entrance to the temple compound. The Zen monks wait patiently.

Photo by Ben Beech
📧 www.benbeechphoto.com



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

➡ *“Who would have guessed that a set of protocols designed to reduce the number of artillery shells that ended up being duds on the battlefields of World War Two would morph to eventually become a global food safety standard? Not me, anyway. Though that is apparently the journey the HACCP regulations have taken, and they are on their way to being implemented in Japan next year.”*



Justin McCurry is the Japan and Korea correspondent for the *Guardian* and *Observer* newspapers. He graduated from the London School of Economics and later gained a master's degree in Japanese studies from London University.

➡ *“As a nuclear skeptic, rather than an outright opponent, I'm uncomfortable about the government's rush to restart idle reactors, but, at the same time, unconvinced that renewables alone can effectively replace nuclear and climate-busting fossil fuels. The future seems to lie in a mixture of all three, and Japan may have to learn to live with that.”*



Seiji Takeshita is a professor and dean of the School of Management and Information at the University of Shizuoka, specialising in the field of comparative governance. He is a familiar figure to the Western media, with over 2,400 appearances.

➡ *“Karoshi, or death from overwork, is here to stay. New schemes to reduce working hours will change nothing. Japanese businesses need to emphasise output over relationships, and shift away from time-consuming, consensus-driven processes. However, they must not blindly adopt Western styles of governance, as this would erode Japan's core competence of collectivism.”*



Irene Nabanoba is a marketing coordinator for the Ashinaga Africa Initiative (AAI) programme. A Ugandan, she came to Japan in 2010 to study at Kwansei Gakuin University, and later at Kyoto University School of Public Health for her MPH.

➡ *“It is said that education is the key to success. This could be true for Africa. An educated populace would be able to address the economic, social and political issues that challenge the continent. Ashinaga, a Japanese non-governmental organisation, is working to change the future of Africa through its AAI programme where African students are provided opportunities for higher education abroad.”*

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Waiting to get out of limbo

In the UK, purdah is the period between when an election is announced and when the final results are reported. During this time of limbo, government officials and diplomats are prohibited from making public comments on policy matters. As a result of Prime Minister Theresa May calling for a snap election, part of our interview with British Ambassador to Japan Paul Madden unfortunately could not be published (page 19). However, *Eurobiz Japan* is grateful to the ambassador for the time he gave us in answering our questions.

Gavin Blair's article *Not cutting the mustard* (page 14) refers to a similar in-between period. Japan's Ministry of Health, Labour and Welfare has announced a plan to finally, officially adopt a version of the international

HACCP food safety standards, but has yet to give any specifics on criteria, timing or enforcement. For rules that will have an effect on every stage of the food production chain, the food industry here is concerned over the government's lack of clarity.

Japan is in limbo over the question of restarting its nuclear power plants following the Fukushima crisis in 2011. Justin McCurry's *An explosive issue* looks at both sides of the argument (page 22).

On the cover are Christophe Duchatellier and Keiichiro Itakura of The Adecco Group,

a firm helping people out of the limbo of dead-end positions and onto new career paths. They spoke to *Eurobiz Japan* about Japan's job market and the reorganisation of their permanent placement business. Read the story on page 10.

For those stuck in limbo, rest assured that time will undoubtedly bring clarity. ●

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INVESTING IN JAPAN

TEXT BY DAVID MCNEILL

PHOTOS BY BENJAMIN PARKS



Mining the flexible economy

Adecco Japan blazes a trail in one of the world's tightest labour markets

It may not be as immediately recognisable as Walmart or McDonalds but The Adecco Group is the planet's third-largest employer after those two American behemoths. The Zurich-based staffing company manages 1.3 million workers in 60 countries, and posted €22.7 billion in revenue worldwide last year.

J

Japan's market is a crucial one for the firm. "We have about 2,000 employees here," says Christophe Duchatellier, CEO for Asia-Pacific at The Adecco Group, "and every day we find jobs for over 33,000 people. This is something very important to us."

That partly reflects changes to Japanese capitalism and the growing corporate demand for more flexibility from workforces. About 90% of Adecco's work locally is catering to Japanese companies. About 20 million of Japan's workers are on flexible contracts, according to Duchatellier. Add in part-time contracts, and the number jumps to nearly 40% of the workforce. Those changes, of course, mimic what's happening elsewhere around the world, but there are important differences here in Japan, Duchatellier points out.

"I'm from Europe where there is a lot of unemployment," says the Frenchman. "In Japan there is little unemployment. It's really a candidate-driven market." For Adecco, that means a tougher local struggle to find qualified employees. "Positively, it means we can usually find good clients who understand the value of paying good prices to find the right talent," he adds.

Still, while Duchatellier acknowledges that the Japanese market is "quite flat", business is good. Sales turnover is about €1.3bn per year. Last year, revenue grew 3.5%. In Japan, The Adecco Group has just hired 250 university graduates, and over 100 more experienced engineers.

"Japan is changing and will continue to change," he says. The biggest change is a "massive" increase in demand for engineers and IT specialists. "There are six job offers for every applicant in IT, and four job offers per applicant in engineering. If you have the

"In Japan there is little unemployment. It's really a candidate-driven market"

33,000

Adecco finds jobs for 33,000 people in Japan every day





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right candidate, you can do very good business. That's why we have quite an aggressive strategy for this market."

Adecco offers a full spectrum of human resource services, as well as temporary and permanent placement, in addition to "outsourcing, career transition and talent development," says its website. There are five brands that are now sheltered under the Adecco banner in Japan, including VSN, a provider of professional staffing services, mainly in engineering; and Pontoon, which directly manages workforces on behalf of corporate clients. The brand Spring Professional Japan focuses on recruiting middle- to senior-level management and experts in IT, engineering, finance and other professional services.

Success, however, has bred its own challenges. At one point, Adecco boasted over 170 different, sometimes overlapping, brands worldwide.

"It's one of the difficulties you face if you grow by acquisition," explains Duchatellier, smiling ruefully. Over the last few years, this unwieldy global roster has shrunk to under 50, and the aim is to reduce this further by the end of the decade.

"We are merging brands to make things easier to understand for everyone, including candidates and clients," he says. "You have to manage the brands very well — or else there is no point in having them."

That can be painful, he admits, but competition keeps everyone on their toes. Adecco has to fight for space in a crowded market, comprising 6,000 local HR companies. So, for the last three years it has tried to become

more specialised, says Keiichiro Itakura, division director of permanent placement, Japan, for The Adecco Group.

"We've changed to allow us to focus on types of jobs and industries," Itakura continues. Part of this strategy has been training consultants to meet with both job seekers and cli-



ents, and to learn how to better interact with both. "The consultants get a deeper knowledge of clients and their needs, and they find out about the candidates and can tell clients which ones might work well." He calls this "360-degree" consulting.

Reflecting this retooling is Spring Professional, which has offices in Tokyo, Osaka, and Nagoya. Instead of generalists — with a focus on office, white- or blue-collar work — teams are divided by occupation. Each department has industry-specialist teams: back office, sales and marketing, and IT and engineering, with training for consultants to allow them to specialise in certain industries and jobs.

"You need more knowledgeable consultants for this approach," says Duchatellier. "And professional staffing requires more consultation with clients." By meeting with candidates from one particular

profession every day, "you get to know them — their skills and needs — very well. That's the specialisation approach."

Starting this month, The Adecco Group in Japan will deploy its permanent placement business solely under the Spring Professional brand with 250 consultants, and the company plans to double the number by the end of 2020. This strategy is aimed, partly, at differentiating itself from the competition, but also as a way to meet swelling demand in Japan for talent by putting its specialised consultants all under the one Spring Professional roof.

"We want to have a professional staffing brand doing our professional staffing," says Duchatellier.

Japan will continue to be a challenging market, both men say. The workforce could shrink by more than 25 million people in the coming decades as the population ages and declines.

Yet, the market is still fairly closed, says Duchatellier. "In Singapore, 30–40% of our placements were people not living there; you have to bring in experts because the country doesn't produce enough. It's the same in Japan, but Japan is not making that decision to bring people in from overseas."

The impact is already evident, says Itakura. "Our main candidates used to be 25–34 years old; recently, we've seen that increase to 45–55 years old. This country used to say 'No thanks' to candidates over 35. Now employers are looking for workers with skill sets and experience."

Still, as Duchatellier points out, Adecco provides work place *solutions*. "One of Japan's biggest problems is that it cannot get enough workers. That's where we help out, and bring value." ●



Not cutting the mustard

Japan's food safety regulations lag behind international standards

As the Tokyo 2020 Olympics and Paralympics approaches, Japan is working to bring its often unique sets of regulations — in a wide range of fields — more in line with international standards. One area receiving particular attention is food safety. While the nation is known for paying fastidious attention to cleanliness and hygiene, this is surprisingly not always reflected in the hard and fast rules covering the food industry.

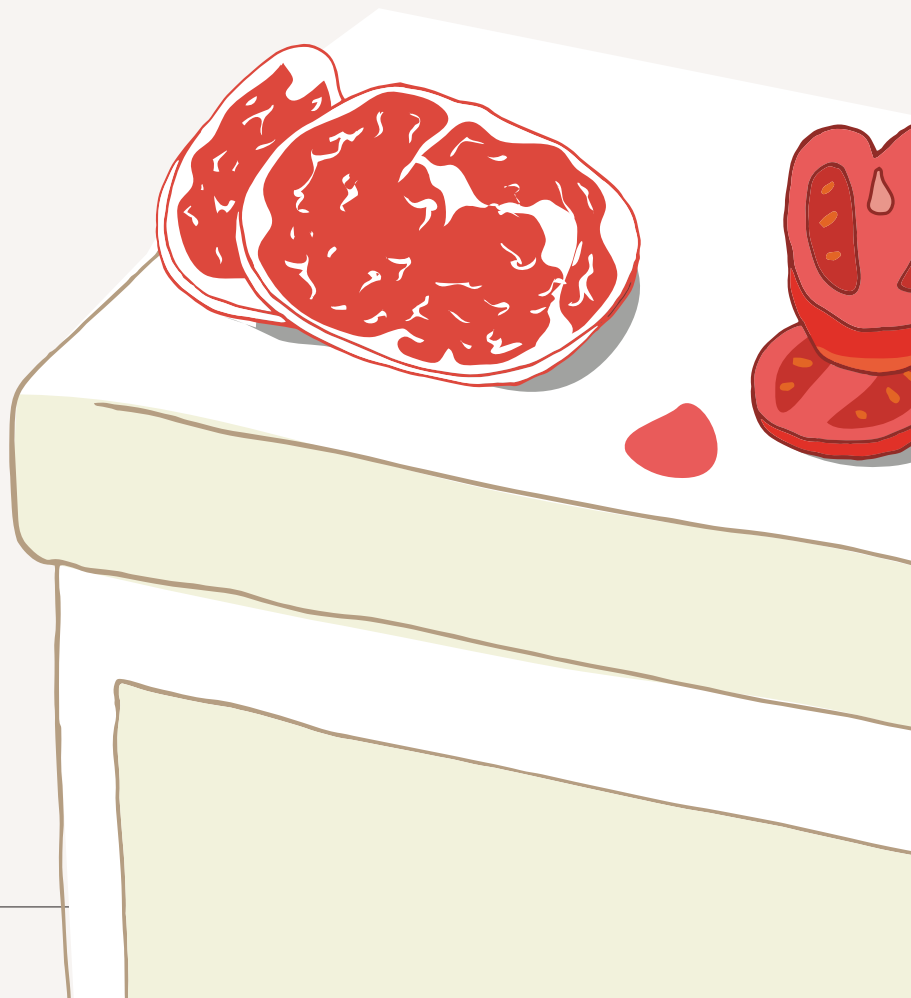
The government is currently in the process of implementing its own version of the widely used system called HACCP (pronounced “hazap”), which stands for hazard analysis and critical control points. A bill on the regulations is due to be introduced sometime next year. However, a lack of clarity regarding the precise criteria, timing and enforcement of the new rules has some in the food industry concerned.

While many major food firms, particularly those operating internationally, have been following the guidelines for years, that is not the case for many smaller producers, processors or eateries. Furthermore, some believe that even after applying a version of HACCP regulations, Japan will be left playing catch up with global standards at a

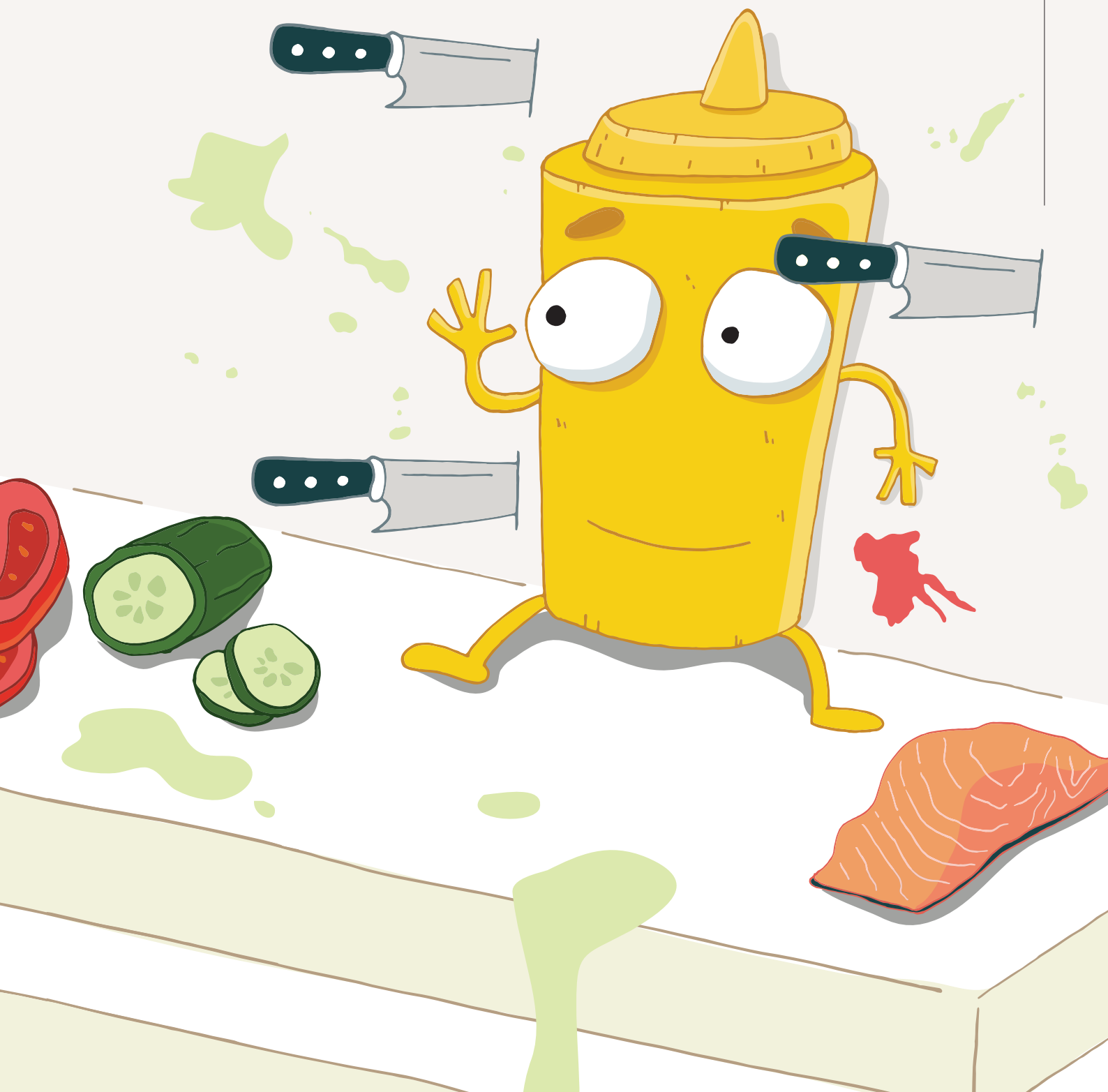
time when it is also looking to expand its exports of foodstuffs.

HACCP reputedly began as a monitoring system for the manufacture of artillery shells employed by the US in World War II, but it was formalised by NASA during the 1960s as a way of ensuring that food taken on space missions was safe. The crux of the system is to identify the points where biological, chemical, or physical safety

hazards can be controlled in the food production process; to establish how a hazard can be prevented or eliminated; and then to monitor each point and take effective action to address dangers. A set of rules, including HACCP, that was designed to ensure safety throughout every step of the food chain became legally binding across the EU in January 2006.



"Japan is so far behind in terms of food safety — some of the regulations are 50 or 60 years old."



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Japanese food producers that sell their wares to Europe, such as some purveyors of the famed Kobe Beef, are already certified, but many of those who only sell domestically have yet to take the plunge.

“Since 2014, our members that export to the EU have been undergoing HACCP checks at their facilities and received approval, meeting the standards and benchmarks agreed between Japan and the EU,” says a spokesperson from the Kobe Beef Marketing & Distribution Promotion Association.

A farm HACCP system would include measures to prevent contamination from microbiological hazards such as maintaining temperature controls and keeping raw meat separate from cooked meat.

Food safety regulators from Europe have been making visits to Japan and checking food production facilities to ensure they meet HACCP requirements, according to Megumi

Kobayashi, a researcher at the EU Delegation to Japan.

Following HACCP protocols is “important for Japan if it wants to increase food exports,” says Kobayashi. “And it’s not only for exports, but also for [the] Tokyo 2020 [Olympics and Paralympics]. The rules will have to be implemented for food served to the athletes at Olympic Village.”

A plan announced by the Ministry of Health, Labour and Welfare (MHLW) will see a Japanese version of HACCP covering the entire food chain, including manufacturers, buyers and

restaurants, but there will be some crucial differences.

“The J-HACCP system will divide certification into Category A and a less-strict Category B, with facilities such as abattoirs and poultry processing plants having to be

Category A,” explains Kobayashi. “It appears Japan is again going to make its own unique system.”

European food producers and distributors in the country, which are already compliant with the EU version of HACCP, may find themselves having to adapt to a new set of rules, the exact criteria of which have yet to be determined.

Thierry Cohen, president of Italian foodstuffs importer Japan Europe Trading, says his company wouldn’t deal with a supplier that wasn’t HACCP-certified.

But, despite the fact that “99% of people in the food industry in Japan know about HACCP,” these particular regulations are not the main focus of his company’s European customers here — they have moved beyond HACCP.

“BRC certification is what they are concerned with; if they are going to buy something foreign, they want to know it’s certified,” says Cohen, referring to the British Retail Consortium Global Standards, a set of guidelines from a London-headquartered organisation that are used around the world. BRC includes HACCP protocols, but has a more extensive scope.

Keita Koido, president of the Japan operations for Norwegian seafood specialist Leroy, also believes that implementing HACCP is not going far enough.

“Rather than HACCP, in Norway and the EU, the focus is on BRC and GLOBALG.A.P.,” says Koido.

G.A.P., or Good Agricultural Practice, is a set of standards aimed at ensuring that farming and fishery operations respect workers’ rights, nature, and consumers.

“Especially in Scandinavia, companies care about regulations for workers and

sustainability, whereas in Japan, service comes first; it’s a different mind-set,” says Koido. “Tokyo may be the cleanest city in the world, but there is little focus on sustainability. And Japan is so far behind in terms of food safety — some of the regulations are 50 or 60 years old.”

For now, the Japanese government is intent on promoting HACCP, and the lack of detailed information is a complaint heard across the board.

“The problem is that we still do not know what kind of J-HACCP standard will come out because we have very little information other than the Summary Report issued in December 2016 by the Japanese MHLW, giving just sketchy outlines,” says one food indus-

Japan will be left playing catch up with global standards

try source, who asked not to be identified.

It remains unclear who will be responsible for enforcing the new regulations when they will come into effect — and how many will be mandated and how many just recommended.

“The impact of J-HACCP implementation on food-related businesses in Japan could become wide and deep, financially and operationally, but there are still too many uncertainties,” adds the industry source. “And there is too little information for all of the business players to reasonably plan anything ahead to cope with this change.” ●



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The UK was one of the five most popular tourist destinations for overseas visitors in 2016.





Linked to Japan

British Ambassador to Japan Paul Madden

Could you tell me about your postings to Singapore and Australia?

I was High Commissioner — that's what ambassadors to Commonwealth countries are called — in Australia from 2011 to 2015, and, before that, in Singapore from 2007 to 2011. Australia has very close ties with Britain, politically and economically. I was there during the commodities boom, when British-linked resource companies were making massive new investments that supported sales to Northeast Asian markets.

Singapore is a fascinating, dynamic trading hub that sits between East and West, again with strong historical links to the UK. Many British companies have their Asia-Pacific headquarters there.

Could you give me some details about your book on Sir Stamford Raffles?



In 2003 I wrote a book called *Raffles: lessons in business leadership*. It looks at the life and work of the Briton, who founded modern Singapore in 1819, through the lens of modern business management theory.

How did you become interested in Raffles, and why did you decide to start writing the book?

It's hard not to be aware of Raffles in Singapore — so many things are named after him. He is much respected for his vision and foresight in creating a global entrepôt. I started writing the book just after I finished my MBA, when I had become very interested in business management, so I thought it would be interesting to apply this to Raffles.

How did your interests in Japan and the Japanese language begin? And how are they helping you today as ambassador?

I first came to Japan on a study tour in 1983 at the invitation of the Ministry of Foreign Affairs, after winning an essay competition. This made me very enthusiastic about Japan. I was delighted to have the opportunity to do language training with the Foreign Office, followed by a posting at the Embassy in Tokyo from 1988 to 1992, where I worked on trade policy and economic issues.

I had to brush up my language skills last year, before returning to Tokyo as ambassador, after a 25-year gap. But I enjoy using my Japanese for business and pleasure as I travel around the country meeting new people.

What are your office's goals for this year?

My main tasks are promoting and maintaining economic links between Britain and Japan; and further strengthening our political and security ties. But we're working with Japan in many other areas, including providing support for the 2019 Rugby World Cup and 2020 Olympics and Paralympics. Having recently hosted these events in Britain, we have a lot to share. ●

Note: Ambassador Madden is unable to comment on policy matters during purdah, the period between when an election is announced and the final results are reported.





BUSINESSES FROM ...

THE UK

A look at some companies from the region

A letter from Japan's Tokugawa Ieyasu to King James of England and Scotland marked the start of relations between the two countries in 1613, while the Treaty of Friendship and Trade established official diplomatic relations in October 1854.



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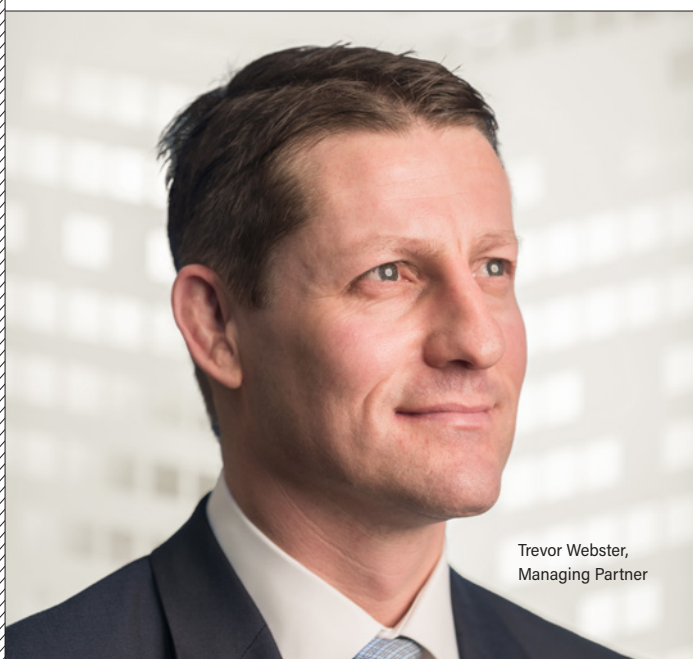
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AN EXPLOSIVE ISSUE

Both sides of the nuclear energy argument in Japan

The triple meltdown at the Fukushima Daiichi Nuclear Power Plant just over six years ago brought an abrupt end to Japan's unconditional love of nuclear power, forcing it into a highly contentious search for new ways to secure the country's energy.

At the time of the 2011 disaster, 54 nuclear reactors accounted for about 30% of total power production, making Japan the world's third-biggest producer of nuclear power, behind France and the United States.

While the Fukushima crisis sparked a public backlash that

continues to this day, 3/11 did not banish the atom altogether from Japan's energy vision.

Prime Minister Shinzo Abe has held firm to his pro-nuclear mantra: that only by restarting idle reactors — and thereby reducing the bill for imported

fossil fuels — can the country hope to secure a safe and reliable means of powering its economy, and honour its pledge that, by 2030, it would cut carbon emissions by 26% from 2013 levels.

In its 2015 strategic energy plan, the Ministry of Economy, Trade and Industry reflected that rationale. By 2030, it plans to have nuclear power account for 20–22% of

the energy mix, with 22–24% coming from renewable energy.

Government aspirations aside, is a significant increase in nuclear power generation realistic?

Legal challenges and political opposition at the local level have complicated the plant restart process, limiting the number of reactors currently in operation to just three. Two more reactors are due to go back online after a recent court ruling approving their being restarted, with another two to follow next March, after they met safety criteria introduced by Japan's revamped nuclear watchdog, the Nuclear Regulation Authority (NRA). Assuming that all legal hurdles are cleared, nine reactors are expected to be in operation by April 2018.

"The government and utilities will present the restarts as a successful return to nuclear power," said Shaun Burnie, a senior nuclear specialist at Greenpeace Germany.

Burnie, a regular visitor to Japan since the 3/11 disaster, believes that all of Japan's reactors are at risk from seismic activity and problems related to ageing components. This is despite the introduction of revised post-disaster safety guidelines.

"Japan has no choice but to go with at least 20% nuclear, or face higher fossil fuel bills and higher carbon dioxide emissions."

fortunes. Their spread has been hobbled by complicated approval requirements, practical obstacles and, crucially, the slashing of feed-in tariff incentives by the government since their introduction in 2012.

European firms with a presence in Japan's solar sector are upbeat, however. "The initial feed-in tariff was very high, and it's still not too

"Public support for nuclear power is not likely to shift in the coming years — one major factor being the ongoing crisis at the Fukushima plant, and the shattering of public trust in the assurances of the government and industry that a severe accident was not possible in Japan," he said.

But some of the alternatives to nuclear power come with risks of their own. Last year, environmental groups warned of the dangers associated with plans for a massive expansion in fossil fuel-based power production. With at least 43 coal-fired plants to be built over the next 12 years, this energy source would come at a price to human health and "lock in carbon emissions for decades".

And after an initial surge in enthusiasm for clean alternatives, renewable energy sources are experiencing mixed

bad," said Ushio Okuyama, representative director at the Japan unit of the Norwegian PV manufacturer REC Solar. "For solar power companies, it's a natural decision to want to join a market where the feed-in tariff is so attractive. We are a global solar company and Japan is still one of the biggest countries in terms of solar-installation."

The question now facing Japan's energy policymakers here is not if there will be a role for nuclear energy, however limited, but how fast and to what extent its reintroduction will be accepted by a sceptical population.

Hard economic reality should outweigh the knee-jerk reactions that have unnecessarily slowed the regulatory review process for nuclear restarts to a "snail's pace", said Paul J. Scalise, a senior research fellow at the Institute of East Asian Studies, School of Advanced Studies at the University of Duisburg-Essen in Germany.

Scalise said there were compelling reasons for nuclear restarts to continue. But, he added: "I no longer believe that restarts will be as quick as some analysts assumed. This is going to be a slow, protracted affair of not-in-my-backyard, court injunctions, cautious regulatory screenings and gradual consensus building."

Putting more reactors online would benefit host communities that depend on the plants for jobs, generous subsidies and local economic activity, Scalise said. It would also help industrial consumers who are the victims of "dramatic rises in average electricity prices in some regions, as a result of switching from nuclear to coal, liquefied natural gas [LNG] and, to a lesser extent, oil."

The Japanese public has yet to be convinced by the economic case for nuclear, or by assurances that a more rigid safety regime will prevent a repeat of the Fukushima disaster: an Asahi Shimbun poll last October showed 57% against reactor restarts, and only 29% in favour.

A European analyst of Japan's energy market said he was not surprised that most people opposed restarts, given the trauma associated with Fukushima and the extraordinary cost of decommissioning the wrecked plant over the next 40 years.

Over time, however, Japan's precarious energy environment will lead to more

"Public support for nuclear power is not likely to shift in the coming years"

restarts, the analyst suggested. "Japan has no choice but to go with at least 20% nuclear, or face higher fossil fuel bills and higher carbon dioxide emissions."

Companies that supply LNG to Japan have benefitted most from the post-Fukushima embrace of fossil fuels. Among these suppliers are the French firm Total, which has had a presence in Japan since 1953. "Total's position as a leading supplier of LNG in Japan and its PV solar energy business predate the Fukushima meltdown — so the disaster has had a positive effect," said Luigi Colantuoni, Total's chief representative for Japan.

"The subsequent shutdown of nuclear reactors accelerated the need for a greater volume of liquefied natural gas to compensate for the missing nuclear power generation."

In the same way that thousands of evacuees have had to put their lives on hold, the Fukushima effect appears to have hamstrung Japan's energy policy. Only a demonstration of political will similar to that shown by Germany — where the government has committed itself to ending nuclear and coal use — will lift Japan out of its state of limbo, said Burnie.

"There clearly are communities, towns and cities that are determined to embrace Japan's new energy future — decentralised, distributed energy in smart grids and based on 100% renewable energy," he added. "But the government needs to scale up its ambition." ●

EXPERIENCE THE BEST OF JAPANESE CULTURE

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May

THE MYSTIQUE OF JAPANESE OGI FANS

Our exhibit of *Ogi* fans, on for the entire month of May, provides a look into the history of this fascinating craft, which originated in Japan and inspired European fans from the 18th through the 20th centuries. As you explore how women used these fashion accessories as adornments to enhance their beauty, and how each generation of fans made its own distinct fashion statement, we are certain you will be inspired by

Ogi's universal appeal. They also convey an important aspect of Japanese culture through their essential roles in classical entertainment, such as *rakugo* storytelling, and other indigenous performing arts.

Authentic *Ogi* have been loaned to Keio Plaza Hotel Tokyo from the POLA Research Institute of Beauty and Culture, as well as rare, valuable fans from Kyoto City.

During the *Ogi* fan exhibition, our restaurants will be offering special dishes that will also express an appreciation of beauty.



June 1st – 29th

THE ARRESTING POWER OF NOH

Much of the power of Japan's traditional Noh theater — the world's oldest performing art — comes from the actors' striking masks and costumes. From June 1st to 29th, authentic carved wooden Noh masks, colorful, intricately woven costumes, and special props used during performances of the renowned Noh play, *Hagoromo*, or The Feather Robe, will be on display in the Art Lobby at Keio Plaza Hotel.

Hagoromo is one of the most frequently performed Noh dramas. It is based on a well-known legend said to have been written more than 12

centuries ago. A fisherman and his friends are out walking along the seashore at Miho no Matsubara, in Shizuoka prefecture near Mt. Fuji, when he finds a beautiful feather robe hanging on a pine branch. When the fisherman attempts to take it away with him, a celestial maiden appears and asks him to return the robe to her because she cannot go home to the Palace of the Moon without it. At first the fisherman refuses, but he eventually agrees to give it back if she will perform a heavenly dance. She agrees, and dances for him, praising the beauty of Miho no Matsubara in the spring. Then she returns to heaven,



Much of the power of Japan's traditional Noh theater ... comes from the actors' striking masks and costumes.



BY TOKIMATSU HARUNA

flying beyond the peak of Mount Fuji, in the light of the full moon.

This exhibition also includes paintings by illustrator Haruna Tokimatsu that depict scenes of Noh actors performing on stage and of the audience in attendance.

On Tuesday, June 13th, from 11:30 a.m. to 1:00 p.m., there will be a Noh performance in Japanese in the hotel's Eminence Hall followed by a special luncheon at three of Keio Plaza Hotel's restaurants — for Chinese, Japanese, or French & Italian cuisine.

Another unique opportunity to see this classic stage art up close will be during a free Noh demonstration in the Main Lobby (right), on June 21st at 5:00 p.m.



FRENCH CULINARY ACCOLADES

On April 5th, Honorary Executive Chef Hirochika Midorikawa became the first Japanese chef to be awarded the prestigious French cuisine chef prize, La Coupe d'Or Internationale d'Art Culinaire Marius Dutrey, at a ceremony held in Paris. Members of l'Académie Culinaire de France and Les Cuisiniers de France only recommend one person every few years from among chefs of French cuisine around the world, so it is a great honour that he has been selected for his culinary excellence. Previous recipients include Paul Bocuse (1994) and Joël Robuchon (2014).

"Receiving such an honorable award, I am truly grateful to the great chefs in Europe who taught me what French cuisine is," Midorikawa said in his acceptance speech. "I'd like to continue doing the best work while learning much more from my friends from all over the world."





Creating

German innovators go further with Japanese collaboration

Research and Development is the lifeblood of a business's success and an indispensable factor in its ability to last; but certain, more daring, innovations are sometimes beyond the capabilities of a single company's R&D department. These require collaboration, where knowledge and abilities are pooled to accomplish far more than one company could alone.

The German Research and Innovation Forum Tokyo (DWIH Tokyo) exists to create connections between German and Japanese companies and research institutions. It accomplishes this by giving more visibility to the many German companies developing new technology and doing innovative research in Japan. It also promotes Germany as a location of innovation and offers networking opportunities for researchers and firms from both countries. Essentially, the DWIH Tokyo is a one-stop shop for information on German innovation.

"We want to strengthen the ties between Japan and Germany and create synergies," explains Dorothea Mahnke, director of the German Academic Exchange Service (DAAD), which oversees the DWIH Tokyo

synergy

project. “With the DWIH initiative, Germany looks for partners all over the world to solve global problems — climate change, energy, ageing societies — and Japan is a very, very important partner.”

The areas of focus of the DWIH Tokyo are extensive, covering health and safety, environment and energy technologies, communication and mobility, as well as nanotechnology and robotics.

“We’re at the intersection of industry and research,” says Dr Christian Heideck, programme coordinator at the DWIH Tokyo. “So, we focus on topics that are of high relevance to both sides.”

Currently, one hot topic is automated driving.

“We’re doing a huge event this year on automated driving, focusing on driver-assistance systems,” notes Heideck. “We’ll provide this platform for major companies already here in Japan so they can present their research activities to academics and other drivers of innovation in Japan. Ideally, it will lead to some collaborations.”

Previously under the auspices of both the German Chamber of Commerce and Industry in Japan and the German Rectors’ Conference, the DWIH Tokyo has recently become part of DAAD, a private, global organisation that sponsors academic exchange and is supported by Germany’s Ministry of Foreign Affairs. DAAD has been repre-

sented in Japan since 1978, and its extensive network of connections will enable the seven-year-old DWIH Tokyo to become more visible and better connected.

“The foreign ministry has said this is so important that we’ve been given long-term funding,” says Mahnke. “It sees networking and scientific exchange as tools for foreign policy. For Germany as a whole, it’s important to have these exchanges to keep up our level of innovation and prosperity.”

New products and technologies come in every form, and German companies in

Japan — from a wide range of industries — are innovating.

Boehringer Ingelheim, headquartered in the town of Ingelheim on the Rhine River, is a research-driven, global pharmaceutical firm that develops products in the therapeutic areas of cardiovascular, respiratory,

diabetes, oncology and the central nervous system. It is the only leading multi-national pharma company with an R&D centre in Japan.

“Successful R&D is essential for sustained growth,” says Tetsu Owari, head of communications in Japan. “Boehringer Ingelheim’s primary goal is to develop innovative medicines and therapies for the treatment of diseases for which there are, as yet, no satisfactory treatments available.”

In April 2016, Boehringer Ingelheim Japan began a joint research project with Kyoto University. This project aims to develop a new therapy for sensorineural hearing loss based on research into inner ear regeneration. Sensorineural hearing loss results from dysfunction of sensory cells between the inner ear and the auditory nerves.

**“networking
and scientific
exchange
[are] tools for
foreign policy”**



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"It's one of the most common physical disabilities in the world, as it is sometimes connected to ageing, and has a profound impact on the daily lives of patients," says Owari. "Treatment options are extremely limited, and the number of patients is expected to increase as society ages. However, the abundant drug development experience of Boehringer Ingelheim, together with the insights and technologies on hearing regeneration developed at the Graduate School of Medicine at Kyoto University, will help us get closer to finding a revolutionary treatment method for sensorineural hearing loss."

Another German innovator with a strong presence in Japan is the Merck Group. It can trace its roots back to 1668 and, over the course of nearly 350 years, the company has learnt that it needs to keep innovating if it is to survive. Today, Merck is active in the fields of healthcare, life science and performance materials.

"Research and Development is indispensable for converting innovation into business," says Ralf Annasentz, representative director, chairman and president of Merck Ltd. Japan. "Merck is recognised by customers as a frontrunner of continuous innovation in the display industry, among other industries."

Merck Japan is collaborating with key Japanese customers to develop liquid crystal (LC) materials for its future display screens, and is also working closely with peripheral material suppliers on displays to facilitate further innovation in this field.

"Merck is actively searching for opportunities beyond display applications where we can incorporate liquid crystals," Annasentz continues. "One

of the products we recently developed is the LC Window — with unique, functional glass for façades and in automobiles — that has energy-saving properties. As we find more opportunities, Merck's LC business can be diversified, and we will see additional growth."

German manufacturers active in Japan are also innovating. KNF Japan, a provider of custom pump solutions, is one example.

"Innovation is crucial at KNF — how else could we customise unique solutions to solve our clients' challenges?" asks Tatsuo Furuhashi, president of KNF Japan Co., Ltd. "We work with the newest materials and technology, building on our vast expertise to create exactly what's required. True innovation means embracing the new and different, and anticipating future needs."

KNF's unique products are the result of listening to the specific needs of its clients, then specially customising the items. In Japan, and throughout the world, the company's sales, engineering, and product management teams work closely with customers' engineers to rapidly and reliably create the new parts required.

The firm's pumps have applications in a wide range of industries, such as in industrial inkjet printers. In the medical equipment market, KNF's pumps are used to administer anaesthetic gas.

"During operations, the challenge is to anaesthetise a patient deeply enough to conduct the treatment safely, while keeping sedation to a minimum," Furuhashi explains. "State-of-the-art gas-monitoring equipment can measure the actual consumption of anaesthetic gases. Using solid-state

technology for the sensors, a small KNF pump maintains a steady flow of the gas, and delivers a precise and constant volume to the analyser — which is critical for analysis and, thus, the patient's well-being."

In consumer appliances, Miele has been developing cutting-edge products since 1899. Its attitude towards innovation is summed up well in the company's philosophy, *immer besser* — or forever better, in English.

"Since the beginning, Miele has always sought the highest quality of materials and components," says Hideki Matsubara,

"True innovation means embracing the new and different, and anticipating future needs."

managing director of Miele Japan. "Through constant R&D efforts, we create durable, high-performing, and stylish products — with timeless designs."

In Japan last July, Miele released one of its Built-in Coffee Machines, the only coffee machine in the country with a built-in bean grinder. This particular model has been patented as the Auto CupSensor.

"The CupSensor recognises the rim of the cup and can automatically adjust the position of the central spout," Matsubara explains. "This kind of product is helping to build Miele as a premium lifestyle brand."

The Miele G 6000 EcoFlex series of dishwashers will be launched here in July. Determined to stay ahead of the game after its patented third-level cutlery tray was copied by most manufacturers, Miele is again taking dishwashers to the next dimension with its 3D cutlery tray, which can be adjusted in three directions.

"This latest dishwashing innovation will put us even further in front again," states Matsubara. "It will certainly create a new demand for imported built-in dishwashers in Japan."

As more companies and researchers in Japan learn of how German businesses are innovating, more collaborations — and more revolutionary products — are sure to be created. ●



Pierre-Antoine Guillon

Concrete goals

"I read novels by Japanese authors when I was a teenager," says Pierre-Antoine Guillon, Japan representative and Asia Pacific sales manager at Kerneos. "The atmosphere and the themes in them were quite different from what I read in French novels."

Guillon, originally from Vendôme in central France — a region famous for its fashion and jewellery — was a voracious reader growing up. Cheap paperbacks of Japanese literature, translated into French, were readily available, so it was curiosity that led him initially to Yasunari Kawabata, and then to writers such as Junichiro Tanizaki, Yasushi Inoue and Yukio Mishima.

"When I first came to Japan, I thought to myself, 'One day I'd like to read these novels in Japanese'," Guillon states. "I'm trying now to realise that goal I had nearly twenty-five years ago."

In the summer of 1993, Guillon started studying Japanese when he was in Tokyo on an internship as part of his

university's engineering programme. And he continued to study after graduating — most earnestly from 2001 to 2007 while on a posting to Japan for his current company, Kerneos, then called Lafarge. However, transfers to France, Singapore and then Beijing between 2007 and 2014 made it hard for him to keep up his Japanese.

"When I came back to Japan in 2014, I decided to study hard," Guillon states. "I really thought that I would have to get myself to a different level. I deal with Japanese customers all the time, so I need to be very comfortable in the language."

As a result of studying over the past few years for the Japanese Language Proficiency Test's N1 exam — the most difficult level — Guillon has reached an ability in the language that will allow him to achieve what he had set out to do back in 1993.

"Last year, I read *House of Sleeping Beauties* — a novel by Kawabata — in Japanese," says Guillon with pride. "I think Kawabata's style really grabs your attention. You really want to turn the page to see what happens next."

Guillon has recently made a significant professional achievement as well.

"We are now one of the top players in our industry in Japan — and we have only four people

Do you like natto?

Time spent working in Japan:
11 years over a 24-year period.

Career regret:
None. I've been lucky to have had a lot of different experiences in Japan, and everywhere I've lived.

Favourite saying:
"Think like a man of action, act like a man of thought" — Henri Bergson.

Favourite book:
In Search of Lost Time by Marcel Proust. I'm from the centre of France, and some people in my family are connected to this writer.

Cannot live without:
Curiosity.

Lesson learned in Japan:
Japan is like a gold mine. You have to dig. The deeper you dig, the more you learn. And eventually you'll find the gold.

Secret of success in business:
I think to be successful here, you really have to have long-term vision. I believe that the coming years in Japan will present a lot of opportunities.

Favourite place to dine:
Ukai Toriyama. It's near Hachioji, in the mountains. The view is splendid.

Do you like natto?:
Yes. And I also have a really good recipe: take *natto* and mix it with grated *daikon* radish. It's very nice.

in the Japan office," he says. "Compared to our Japanese competitors, we bring the expertise of over 100 years."

Kerneos, headquartered in France, is a manufacturer of calcium aluminate-based specialty products, such as cement mortar. The company's signature product, Ciment Fondu, was invented by Kerneos in 1908.

"It's very strong, stronger than normal cement," explains Guillon. "Alumina can withstand conditions up to 1700 degrees Celsius."



"I'm trying now to realise that goal I had nearly twenty-five years ago"

Kerneos' mortar, which uses alumina, is special because it helps make flooring products flow like water, resulting in smooth, flat surfaces. And, unlike normal cement, it dries quickly, even at low tempera-

tures — meaning workers can save time on the building site. It is also very resistant to acid, and is more durable than normal cement in places where acid-levels are high, such as in sewers.

The goals Guillon sets for himself are similarly durable. And there is still more that he would like to accomplish. He is a runner and runs the equivalent of a half-marathon once a week to stay in shape; but he has yet to run a full marathon.

"One of my objectives this year is to run 42 kilometres," says Guillon. "Some people I

know tell me that running a half-marathon and a full marathon are different sports. But you have a to-do list in your life, and running a marathon one time is certainly something that I would like to do."

Though it will take a while for him to work up to this level, he is confident that, in time, he will achieve what he has set out to do, just as with reading novels in Japanese.

"There's still a long way to go," Guillon states. "But I think the more you run, the more you want to run." ●



Constancy and change

Takahiro Sueyoshi,
general manager of
The Capitol Hotel
Tokyu

The predecessor to today's The Capitol Hotel Tokyu, the Tokyo Hilton, was home to The Beatles in 1966, during their only trip to Japan to play a series of concerts at the Nippon Budokan. The Hilton had opened in 1963 — a year before the Tokyo Olympics — and the Fab Four found themselves virtual prisoners in the hotel. They were hemmed in by a massive security operation to keep at bay hysterical fans and nationalists outraged by the musicians' defiling of the Budokan, a spiritual home for Japanese martial arts. A photobook commemorating 50 years since The Beatles' visit was released last year, with most of the pictures unsurprisingly taken inside the hotel. Some of the pictures, shot by photographer Shimpei Asai, adorn the walls of luxury suites at the Capitol today.

Tokyu took over the hotel from Hilton in 1984, demolishing it two decades later and opening a completely rebuilt The Capitol Hotel Tokyu on the same spot in 2010. As Tokyo moves towards hosting its second Olympics, the hotel's general manager since April, Takahiro Sueyoshi, is determined to preserve the traditions of what he describes as "Japan's first global-style hotel", while steering it forward into the future.

“A sense of balance is important”

This approach is encapsulated in the term *fueki-ryuko*, which expresses simultaneous constancy and change. The expression was popularised by Edo period *haiku* master Matsuo Basho, who changed the traditional Japanese poetry form while maintaining its traditions, explains Sueyoshi.

All the hotel's 251 Western-style rooms incorporate Japanese design sensibilities, including subdued colouring, low tables and



uncluttered interiors. Many of the rooms offer views of the Diet building, the Imperial Palace and nearby Hie Shrine. The Shinto shrine is known as a 'power spot' and is reputed to deliver special energy to visitors to help them in finding love, attaining success in their careers and warding off evil. On a more practical note, located above Tameike-sanno and Kokkaigijido-mae stations, the hotel is directly connected to four metro lines, giving easy access to much of the capital.

The lobby was designed by renowned architect Kengo Kuma, who is also responsible for the new Olympic stadium. Various lounges and eateries, including the main Japanese restaurant — with specialist chefs for tempura, sushi and teppanyaki — are all located on the lower levels. The 14th and 15th floors are home to a pool, spa, fitness club and barber, while the guest rooms sit on the upper floors.

Currently around 70% of guests are from overseas, with Americans making up the largest proportion, followed by Chinese and then Europeans. Approximately 30% of guests now book via online sites such as TripAdvisor and Booking.com — a growing, industry-wide trend.

And with the numbers of foreign guests set to rise further as the Olympics approach, Sueyoshi believes that the hotel must become even more internationalised. The Capitol's staff already includes Americans, Vietnamese, French and Chinese, and the hotel supports employees' language study.

"We need to know more about foreign cultures," says Sueyoshi. "It is a very wide world and there are many different kinds of people on this planet."

The Comfort Members Program is the Tokyu loyalty scheme that delivers points, discounts, upgrades and other benefits that can be earned and used across the 44-hotel chain. The programme currently has around 600,000 members, about one third of whom are active, according to Sueyoshi.



The hotel's 251 Western-style rooms incorporate Japanese design sensibilities

The hotel also runs a Green Coin Program, whereby the hotel donates to environmental activities when guests bring their own toothbrushes, towels or other amenities. The programme began 15 years ago and 5–7% of guests participate, a rate that Sueyoshi says he would like

to raise through better communication of its workings.

Sueyoshi joined the Tokyu Group — a conglomerate of more than 200 companies centred on the Tokyu Corporation train operator — 32 years ago. Beginning his career as a staff member at Tokyo's Meguro Station, Sueyoshi went on to do a short stint as a train conductor. He soon moved into the management of the Group's sports and swimming clubs, and then into its hotel business 20 years ago. He eventually headed the international business of the Pan Pacific Hotels chain — which Tokyu sold in 2007 to a Singapore-based company — after overseeing the opening of the Pan Pacific Hotel Yokohama in 1997.

Following a two-year spell as vice-president of the Mauna Lani Resort hotel on Hawaii's Big Island, Sueyoshi returned to Japan and entered the Tokyu Hotels division in 2005.

He managed Tokyu hotels in Hakata and Shibuya, before serving as executive director and marketing director for Tokyu Hotels, and this year took over as general manager of the Capitol.

Sueyoshi says the essentials of managing a hotel remain the same whatever the location or level of service offered. He likens the role to a ship's captain.

"It's very lonely, and with a lot of pressure," he says with a laugh. "I have to take care of the guests, the staff and the owners. But I really enjoy it."

He says the most important attributes for a successful manager are balance and a hard-to-define quality encapsulated in the Japanese term *kansei*, which roughly translates as sensitivity or sensibility. According to Sueyoshi, this is crucial for everything from appreciating aesthetics to conversing with guests about their experiences. He endeavours to refine his *kansei* by visiting museums and art galleries when he isn't working.

"A sense of balance is important because I have to make a lot of decisions," he says. "I just have to listen to my inner voice." ●



It can be challenging to select the right candidate for a job. But having a well-thought-out process in place can enable an employer to make good hiring choices.

Alex Brühlmann, leadership & talent manager at IKEA Japan, shared some of his thoughts on how to structure and conduct a good job interview at the second Joint Nordic Knowledge Evening. He was the keynote speaker at the event organised by the Swedish

that “a good interviewer believes in people, and looks at the person, not the CV.”

The IKEA interview process involves a candidate meeting with at least three IKEA employees, including one line manager and someone from HR. This brings a valuable range of perspectives and input to the process, Brühlmann pointed out. He also noted that an interview should encourage conversation, and facilitate the selection process by uncovering a candidate’s motivation.

“We hire coworkers based on our company culture through the concept of values-based recruitment,” Brühlmann explained. “There is diversity — nationalities, ages, lifestyles, cultures — yet, some

Larsson, a manager for the automotive team at Robert Walters.

Lundin asked if IKEA used a fixed set of questions for interviews, or if they were more organic. Brühlmann said that, while it depends on the position to be filled, most of the time “going with the flow” is important.

Hakam was curious how IKEA’s approach took into account the local culture. In response, Brühlmann likened the hiring process to trying to determine the “shared intersection of two concentric circles” — one circle being IKEA’s core values and the other circle representing a candidate’s personal values. In other words, the local culture will always play a part in IKEA’s decisions about a candidate.

Replying to Larsson’s enquiry about the challenges of involving several people in the hiring process, Brühlmann explained that the decision is never rushed. For some positions, interviews can take more than two hours. And he stressed that IKEA employees should always enjoy their involvement in the hiring process. The final decision on a candidate is made by the line manager. And HR never overrides the line manager’s decision.

Brühlmann concluded by quoting one of IKEA’s mottos: “It takes a dream to create a successful business idea. It takes people to make dreams a reality.” ●

A successful interview process

How to select the right person for the job

Chamber of Commerce in Japan (SCCJ) and held on 16 March at the Embassy of Sweden.

The aim of the evening was to share recruiting and hiring experiences, explained Hans Rhodiner, executive director of the SCCJ, and to give those present plenty of opportunities to ask questions.

Brühlmann began by saying

things they have in common. And this is the glue that is at the core of IKEA’s culture.”

Inclusion is one of IKEA’s recruitment values. In Japan, 49% of management positions are held by women, while 60–65% of all staff are women.

“This is at the root of IKEA, a world leader on gender equality,” Brühlmann added.

He also pointed out that 75% of IKEA’s more than 2,000 staff in Japan are part-timers, working between one to four days a week.

Brühlmann was joined by a panel knowledgeable about recruitment: Oscar Lundin, a manager in the Human Resources Division at EnWorld; Karim Hakam, an operations director from Morgan McKinley; and Johan



“[A good interviewer] believes in people, and looks at the person, not the CV”



Put on productivity

Wearables extend employees' abilities in the workplace

Intro

13:25

Is the smartwatch the next smartphone? While smartphones have been ubiquitous for years, wearable devices are gaining ground. Nearly 12 million units of the Apple Watch — first released in 2015 — were sold last year, generating billions of dollars in revenue for the tech giant. If that's any indication, it seems wearable high-tech devices are more than just a passing fad.

They are also increasingly being used for applications in the work place. A 2015 study by Salesforce of more than 500 adopters of wearable tech found that 79% said wearables are, or will be, important for their company's future success, while 86% planned to increase spending on wearables.

Aside from simple message alerts, smartwatches can have many roles at work. The

American augmented reality (AR) software maker Upskill has produced Skylight, an AR app that works with wearables. Assembly line workers, for example, who are wearing smartwatches can be sent work orders or alerted when there is a disruption in the workflow. The app also works on Google Glass, the head-mounted display. Although it was withdrawn from consumer distribution in 2015, it is still being developed for enterprise uses, including telemedicine. Whether displaying steps for assembly, inspection or other jobs, Skylight gives workers more hands-free time. Upskill claims it can boost productivity by over 30%, and *CIO Magazine* reported the app decreased assembly time by 25% for Boeing's wire harness workers.

Smartwatches and eyewear are only a couple of the forms that wearables for the work place can take. Japanese electronics maker Fujitsu has been experimenting with a smart ring equipped with a motion sensor and near-field communication tag reader. Using this, factory workers can take notes on a device by writing in the air or quickly call up relevant documentation by tapping tagged objects.

A new smart jacket from Google and Levi Strauss suggests that wearables could soon be in the very clothes we wear to work. The Commuter is a washable jean jacket made of smart fibres that lets users take phone calls, check the time, get directions, and control music players by tapping or swiping a sleeve. Since it doesn't have a screen, it won't distract commuters or couriers using it in their cars or on their bikes. The jacket is scheduled to go on sale this autumn for \$350.

But some of the simplest wearables could have the biggest impact on the workplace. Many companies have been giving staff fitness bands to motivate them to monitor their physical activity and stay healthy. California-based technology firm Jiff reviewed nearly two years of data from more than 240,000 employees, and found evidence that, "when done right, wearables can be an effective tool to engage employees in their health." ●

Pull quote

06:45

wearables are ... important for [companies'] future success





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Dying to get the job done

Why *karoshi* in Japan is here to stay

Staying long hours at the office for the sake of staying is often considered more important than getting a job done in Japan. The collectivist nature of its people — and the belief that belonging to the team is of the utmost importance — is what keeps them at their desks. According to research by New York firm Research & Marketing Strategies, Inc. conducted in 2012, some 51% of Japanese employees feel that maintaining good relationships on a friendly, tight-knit team is a higher priority than achieving results at work. This shows just how real and persistent is the fear of being left out of the group.

This value permeates Japanese society, regardless of gender or age. No matter where you go in the country, the reputation of the group counts the most. In this environment, it is vital to be seen trying hard and participating in the process of achieving the group's goal, rather than simply getting your own work done. So, the Japanese stay late. This mindset, however, has led to lower productivity in Japan than the OECD average, lagging far behind countries in regions such as Scandinavia and Benelux. And it is particularly pronounced in non-manufacturing sectors.

On Christmas Day, 2015, a 24-year-old woman, just out of college, committed suicide as a result of being overworked at Japan's top advertising agency, Dentsu. To cope with the rising concern that companies here are taking advantage of their employees, the Japanese government has announced plans to put a cap on overtime. It has said there will be stricter monitoring of overtime, and recently launched the Premium Friday scheme that encourages

workers to leave the office at 3:00 pm on the last Friday of the month. However, these measures are equivalent to applying a Band-Aid to a deep, open wound that needs stitches.

Unnecessary overtime work is here to stay unless Japanese businesses can realign their values to emphasise output over relationships. Japanese corporations across the board must introduce a merit-based system and, by doing so, stress the connection between results and reward. This will not only



clarify who is responsible for what, but it will also create the incentive to work on an output basis. At the same time, the consensus-driven decision-making process — a typical methodology adopted by Japanese corporations — has to shift to a more top-down decision-making approach, which will vastly improve the speed of setting managerial targets and moving projects forward.

However, this is easier said than done, given that Japanese society has a high level of uncertainty avoidance, and empha-

sises contributing to the group. Additionally, breaking with the status quo is often perceived as a disruption of the peace. These values are ingrained starting in kindergarten, where five-year-old children are taught to work in harmony with classmates and support the group. Meanwhile, at this age in many other countries, children are being taught individualism.

To remain competitive on the global stage, Japan needs to change its approach to work, but should be careful not to

adopt Western-style governance and values wholesale. If it were to do so, it would run the risk of jeopardising the unique character of the Japanese group, which has contributed so significantly to everything the nation has given to the world, including in the field of process innovation.

Changing the way the country works will be tricky, since it could potentially erode one

of Japan's strongest intangible business assets — the group. But it is a change that must be made. ●

Japanese businesses [need to] realign their values to emphasise output over relationships

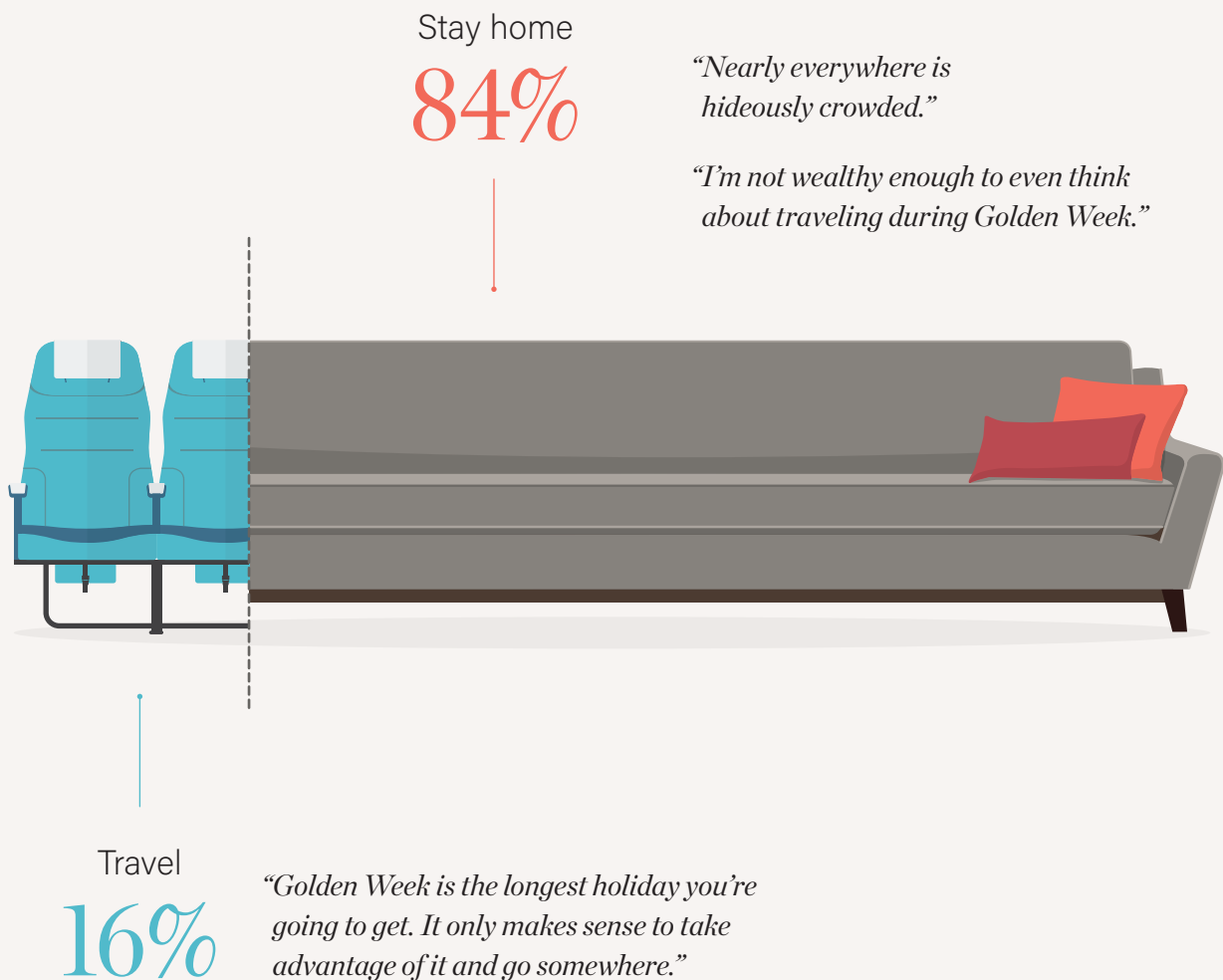
Seihiro Takeshita is a professor and dean of the School of Management and Information at the University of Shizuoka.





Golden Week is the longest national holiday in Japan and a popular time to travel. However, with the entire country looking for ways to relax and have fun, it is crowded everywhere. Additionally, rates are inflated, flights and trains are fully booked, and there are dreadful traffic jams.

Do you prefer to travel during Japanese holidays or to stay at home?



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Playing by the book

Golf to get some new official rules

Golf prides itself on being the most honest game in sports. But some of its quirky rules mean that it's easy to be penalised, even if what you do is accidental.

At long last, the United States Golf Association and the Royal and Ancient Golf Club of St. Andrews, the two bodies that determine golf's rules, have come together to try and simplify the game. What they are trying to do is to apply more common sense to the rules of the game.

These new rules will come into effect on 1 January, 2019, after the ruling bodies review them. However, in your friendly games, you might want to start putting them into practice now to make things easier on you.

The following are some of the proposed changes:

1 Accidentally moving the ball: If you or an outside force (such as the wind) accidentally moves the ball on the green or when looking for the ball, there will no longer be a penalty. All you have to do is put the ball back where it was.

2 Relaxed rules on the green: First, you will be allowed to putt with the flagstick in the hole. In addition, you won't be penalised for repairing spike marks or other unnatural damage on the greens.

3 Moving impediments: You will be allowed to remove loose impediments in penalty areas (water, jungle, rocks, etc.) and bunkers.

4 New bunker rules: You will be allowed to touch the sand in a bunker with your hand or club, but not to test it or while addressing the ball. If you deem your ball to be unplayable, you will be able to remove the ball from the bunker and play it outside with a two-stroke penalty.

5 Search time: If you lose your ball, you will only have three minutes to find it; currently, you have five minutes.

6 Dropping the ball: If you're taking a drop, you won't have to drop the ball from shoulder height; anywhere above the ground will be fine, although the recommendation is at least 2.54 cm (1 inch).

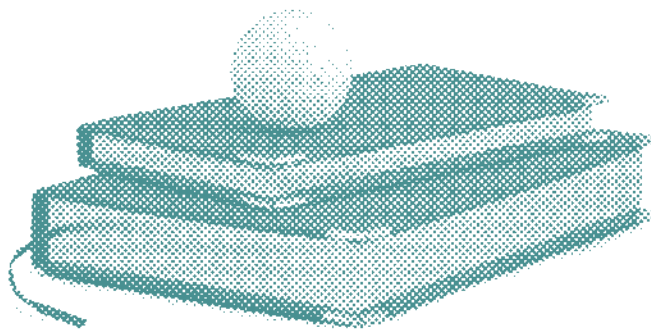
7 Plugged balls: If a ball is plugged on the fairway or in the rough, you can take relief (and also change your ball, if you want).

8 Rangefinders: Electronic and GPS rangefinders to gauge the distance of your ball from the flag will be permitted in 2019.

9 Playing out of turn: Currently, there are no penalties in stroke play for playing out of turn, but the rules state that the player farthest from the hole, whether on the green or off the green, will play first. However, in match play, a player who plays out of turn will have to cancel the stroke and replay the shot.

10 Maximum score on a hole: Club committees can determine a maximum score (e.g. eight strokes) for any given hole in stroke play. For example, if you've played eight shots and you're still not near to finishing the hole, eight would be your score on that hole, and you can pick up the ball and move on to the next hole.

It's important to know the rules in golf. And it's always worthwhile taking some time to re-read the rule book. ●



they are trying to ... apply more common sense to the rules

Helping the helpless

The Japanese NGO that is going global

Losing a parent can change you. And for many, it has completely altered the direction of their lives. For Yoshiomi Tamai, his mother's death was the driving force behind starting Ashinaga, a Japanese NGO. Since 1963, Tamai's Ashinaga has been fighting on behalf of those who have lost one or both of their parents.

To date, the NGO has enabled more than 95,000 orphaned students to finish their high school or university education. In Japan, Ashinaga has also opened "Rainbow Houses", which provide orphaned children with psychological and emotional care, as well as offer a community where they can share their feelings. The NGO's extraordinary success in helping orphans in Japan has allowed it to grow into a global movement, with a particular focus on educating and nurturing future leaders.

While continuing to support high school and university students in Japan, as well as children orphaned by the 2011 earthquake and tsunami, Ashinaga is increasingly turning its attention to Africa, where the AIDS epidemic has left millions of children without parents. For example, the NGO opened a Rainbow House on the outskirts of Uganda's capital, Kampala, in 2003. More recently, it held the At Home in the World concert series, a musical collaboration between Tony award-winning English stage director John Caird and New York's Vasser College choir. Students in Ashinaga's Terakoya programme in Uganda, and Japanese *taiko*

drummers who lost their parents in the Tohoku disaster also took part.

Founded in 2014, the Ashinaga Africa Initiative (AAI) is the most ambitious of Ashinaga's programmes in Africa so far. This scholarship programme gives African students a chance to do their university degree abroad, before returning to their home countries to become future leaders. Each year, one successful applicant from each of the participating Sub-Saharan African countries is sent on a six-month boot camp in Uganda or Senegal, where they study, prepare for entrance exams, and develop skills that will help them achieve success at university and beyond. So far, the AAI programme has sent 34 students from 32 countries to universities in the UK, Ireland, France, Australia, the US, Canada and Japan. The initiative hopes to expand to incorporate students from all 49 Sub-Saharan African countries.

One AAI scholar from Mauritius, Sakiinah Mungroo, is studying medicine at the

University of Manchester in England. She aims to become a specialist in plastic and reconstructive surgery in order to help patients with burns and birth defects, as well as those who have been in accidents.

"My teachers and the other Ashinaga scholars have become my new family," says Mungroo. "They have given me the self-confidence, communication skills and leadership skills I need to help me succeed in this new chapter of my life."

In Mauritius, the most competent doctors work in the private health sector. However, Mungroo's goal is to work in the public health sector.

"I want to help those from disadvantaged backgrounds and those who do not have the means to afford treatment in a private hospital," she explains.

"I want to help those ... who do not have the means to afford treatment in a private hospital"

Ashinaga is working to ensure that more and more orphans' lives are pointed in the right direction — that they find hope and healing, are educated, and can then become leaders and bring hope to others. ●

Irene Nabanoba is the marketing coordinator for the Ashinaga Africa Initiative Program.





Cosmetics and Quasi-Drugs

The fly in the ointment

Japan's rapidly ageing population continues to put serious strains on the healthcare system. The government is trying to cope by keeping costs down and seeking other ways of easing the burden.

A big part of the problem is that Japanese patients, the elderly ones in particular, tend to be heavy users of the system. International surveys find, for example, that hospital stays in Japan are around three times the length of the OECD's average. One of the government's ideas to deal with this is to slash the number of hospital beds nationwide.

The EBC Cosmetics and Quasi-Drugs Committee has ideas of its own.

One of its recommendations urges the government to promote "self-medication". This means encouraging people to seek advice from general practitioners and pharmacists on the use of "quasi-drugs" to deal with minor ailments on their own, rather than clog hospital waiting rooms.

Encouraging this would improve health, help reduce total healthcare spending, and allow doctors to focus on people with more serious ailments.

A quasi-drug is a beauty product that has mild health-enhancing effects — for example, lotions that prevent heat rash.

"There are products that make a contribution through their medication," says committee chairman, Dr Nobuyuki Hagiwara. "This is really important ... and it's consistent

with the Japanese government's direction."

A stumbling block on the road to a society that self-medicates more is a list maintained by the Ministry of Health, Labour and Welfare. It contains all of the "efficiency claims" that companies are allowed to make about their products available in Japan. The last time regulators added an item was in 2011, when products "making fine wrinkles due to dryness less noticeable" was approved. There are a total of 56 listed claims, and product makers cannot make any claims that are not on the list.

For example, although medical research has shown that some sunscreen products can prevent skin cancer, their makers cannot actually publicise

this fact in Japan — simply because such an efficacy claim does not appear on the ministry's list.

This constraint means that Japanese consumers have a limited knowledge of the positive health effects that some over-the-counter products can deliver. It also prevents the latest, highly effective products from entering the Japanese market, according to the committee.

"This is very unique," says Hagiwara, who is also the head of

Regulatory Affairs at Johnson & Johnson Consumer Company. "There's no such list in Europe or the United States."

The committee is calling for the list to be scrapped and, instead, for companies to be allowed to communicate their products' efficacy by citing verifiable data.

Another leading issue involves online notifications. Currently, cosmetic and quasi-drug companies need to use paper documents when submitting approval applications and other procedures, rather than doing the work online.

The drawbacks are obvious. Beyond the time and hassle of filling out stacks of documents, there is the problem of storage.

"We need to secure warehouses to store the approval documents, and the hard copies aren't always easy to track down," Hagiwara explains.

Last year, Japanese authorities allowed pharmaceutical firms to use online notifications, and the committee hopes the trend comes to its industry soon.

Another hot topic for Hagiwara and the committee is the need to shorten the period it takes for ingredients of quasi-drugs and cosmetics to be approved. Similar to calls elsewhere by the EBC in other industries, the committee wants Japan's approval standards to be harmonised to bring them more in line with international norms.

"The health authorities could accelerate the approval process to make it shorter," he says.

In December, members sat down with health ministry officials to convey some of their recommendations.

"I wouldn't say we 'pressure' the ministry," Hagiwara says, "but we raise our issues in order to keep reminding the officials about them." ●

Advocacy issues

➡ Online notification

The health ministry should allow electronic submission of applications and notifications for cosmetics and quasi-drugs.

➡ Harmonisation

Inconsistencies among approved ingredients between Japan and the EU need to be resolved.

➡ Self-medication

Self-medication should be promoted, when it is safe and appropriate, through financial incentives for patients, pharmacists and medical institutions.



A lesson in viticulture

How grape growers cultivate the vine

Grapevine cultivation is a year-round process, and winter is a time for vine maintenance. The vines are pruned in order to guide the direction in which they will grow, and to plan for future stages of growth.

In the spring, as daily temperatures begin to exceed 10°C and the soil warms, so, too, do the vines. Bud break — which usually begins in March in the northern hemisphere — marks the vine's rebirth. The warmth of the soil initiates a process referred to as "bleeding" when the roots push up nutrients, hormones and water that emerge through the cuts in the vine made from winter pruning. Tiny buds begin to appear, and eventually they sprout small shoots. However, the pruner will take off many of these buds in order to restrict growth, leaving only a few on each branch.

Between 40 and 80 days after bud break, usually in May, flowering occurs. The small shoots will start growing tiny clusters of flowers on their ends, which, once they blossom — and if properly pollinated and

fertilised — will result in grapes. This process is called "fruit set". Each individual flower is capable of producing one grape.

The grapes produced in spring are hard, green, and extremely tart. In summer, around July, the change in the grapes' skin colour indicates that they are ripening, a process called veraison. The grapes will grow in size, increasing in sugar content, and decreasing in acidity. Summertime is also when canopy management is essential. Vineyard workers must prune the shoots in order to maintain the perfect balance of shade, sunlight, and air cir-

Grapevine cultivation is a year-round process

ulation, essential in ensuring optimal ripening conditions. Unripe grape bunches, or bunches that are developing unevenly, are cut off as well. This is called crop thinning.

Autumn is the season for harvesting the grapes. All of the hard work of vineyard workers and managers culminates in grapes that have achieved optimal levels of sugar, acid, and phenolic compounds, which determine qualities such as flavour and colour. Grapes are most commonly harvested in September and October. They are often picked overnight so that they retain their acidity in the cooler air. This is done either by hand, which allows for a more thorough selection of berries, or by machine. The grape bunches are taken to the winery, where the winemaking process begins — which is a story for another day. ●



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We have many images of negotiation thanks to the media. It could be movie scenes of tough negotiations, or reports on political negotiations with rogue states led by lunatics. Most of these representations, however, have very little relevance in the real world of business.

A lot of the work done on negotiations focuses on "tactics". This is completely understandable for any transactional-based negotiations: those one-off deals where there is no great likelihood on any on-going relationship between buyer and seller. However, this is a false flag.

The aim of sales is not a sale. The aim is repeat orders. If you want to be permanently in 100% prospecting-mode, then transactional selling is fine. That gets tiring, though, as you have to spend all of your time hunting because you can't farm. Now there will be some cases where that is how it rolls, and there is not much you can do about it.

The style of negotiations for this play is completely different to the one-off, transactional occasion. In this world, "tactics" are only partially relevant. Going one up on the buyer isn't sustainable in a continuing relationship. They remember and they don't like it. They either dump you as the supplier, or they even it up down the road. They don't forgive you though.

Technique has a role — in the sense that there are certain best practices in negotiating which we should observe. The philosophical starting point is key. What are we trying to do here? Are we trying to build an on-going business relationship where we become the favoured supplier, or are we after a one-off smash-and-grab deal? If you want the lifetime value of the customer to be your main consideration, then you have a lot of commitment to win-win outcomes.

The consideration of the communication style of the buyer is another important negotiating consideration. How we communicate with the buyer will vary if we know what we are doing. Clueless salespeople will have one default mode: the way they personally like to communicate — and that is it.

Professionals understand that, if the buyer is micro-focused, we go with them on facts, detail, evidence, testimonials, proof, etc. If they are the opposite,

then we talk big picture and don't get bogged down in the smaller details. We describe what success looks like. If they are conservative, self-contained and skeptical, we drop the energy-level to match theirs. We don't force the pace; we spend time having a cup of tea to build the trust in the relationship. We mirror what they like. If the buyer is a "time is money" hard-driving type, we don't beat around the bush. We get straight down to business; we lay out the three reasons they should buy, and then we get out of their office — pronto.

With this analysis in mind, we prepare for the negotiation by analysing the buyer's perspective. We use what we know to build up a picture of what they will need from the deal we are negotiating. We match that with what we can provide; and we amplify the value we bring to the equation. We set out our BATNA — the "best alternative to a negotiated agreement". This is our walk-away position.

We have analysed the potential of this client by looking at their lifetime value as a buyer. This can have a big impact on how we see the pricing. When negotiating with a big multi-national buyer, I had to take a painful hit on my pricing. I only agreed to this, though, because the volume in the first year was very substantial — and the understanding was that this would be repeated annually. It may not become annual, who knows; but if it does, then this is a major feast of guaranteed farming that allows a better balance to all the hunting required.

In another case, I "fired" the buyer because their pricing requirement was too low. There was no prospect of any on-going business and the volume was not attractive. We all have our positioning in the market. If we want to maintain that, then we have to be prepared to reject low-ball offers that damage our position and our brand.

In most cases, sales' negotiating requires a holistic approach rather than a "mechanical" tactics-driven approach. Decide what type of

relationship you want with the buyer. If it is win-win, then we are looking at trade-offs for pricing against volume and repeat business. Leave all that tricky negotiating palaver to the fantasy world in Hollywood movie scripts.

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"Leave all that tricky negotiating palaver to the fantasy world in Hollywood movie scripts."



DOWN TIME

TEXT BY ANDREW HOWITT



Ernie Olsen

Company: OCC K.K.

Official title: Managing Partner

Originally from: Chicago, Illinois

Length of time in Japan: More than 30 years (more than half my life!)

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

Swiss Chalet in Nishi-Azabu.

What do you do to stay in shape?

Round is a shape ... I ski, bike, walk and cross train.

Name a favourite movie:

Animal House.

Favourite musician: Al Di Meola.

Favourite album:

Friday Night in San Francisco by Al Di Meola, John McLaughlin and Paco de Lucia.

Favourite TV show: *Modern Women* (to be released).

Favourite book: I have two. *Shredded: Inside RBS* by Ian Fraser, and

What the Dog Saw by Malcolm Gladwell.

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

I've worked as a producer for a TV show.

Cats or dogs?

Allergies — but I can put up with both!

Summer or winter?

Winter. I go skiing every weekend.

What's your ideal weekend?

Being out in nature with my wife.

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

Parabola. It's a fantastic place.



William Swinton

Company: Temple University, Japan Campus

Official title: Director, International Business Studies

Originally from: Long Island, New York

Length of time in Japan: 22 years

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

T.Y. Harbor in Tennozu Isle. My favourite table is on the patio. I also like Acalli in Minami-Azabu for Teppanyaki.

What do you do to stay in shape?

I ride my Trek bicycle — everywhere.

Name a favourite movie:

Fight Club.

Favourite musician: I listen to

Missy Elliot when I'm getting ready to go out; Abbey Lincoln when I'm feeling blue.

Favourite album: It's a tie between D. D. Jackson's *So Far* and Prince's *Controversy*.



Favourite TV show: I don't own a TV.

Favourite book: *One Hundred Years of Solitude* by Gabriel Garcia Marquez.

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

I used to work on Broadway.

Cats or dogs?

Dogs.

Summer or winter?

Summer. I love to be outside.

What's your ideal weekend?

Get up early, have breakfast; then, go back to bed.

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

Sorry, it's a secret.

“I ride my Trek bicycle — everywhere.”

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The Agenda

MAY
20-21

ITALIAN CHAMBER OF COMMERCE IN JAPAN

Italia Amore Mio! Italian Festival

TIME: 10:00-20:00**VENUE:** Roppongi Hills**FEE:** Pay for what you purchase**CONTACT:** promo@iccj.or.jpJUNE
8-11

BELGIAN-LUXEMBOURG CHAMBER OF COMMERCE IN JAPAN

Belgian shop @ Belgian Beer weekend Kanazawa

TIME: 11:00-22:00 (weekday from 16:00, last day until 21:00)**VENUE:** The 4th High School Memorial Park Ishikawa**FEE:** Pay for what you purchase**CONTACT:** info@blccj.or.jpMAY
25

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

Luncheon: Dr Hans Jakob Roth

TIME: 12:00-14:00**VENUE:** Shangri-La Tokyo**FEE:** ¥6,500 (members), ¥7,000 (non-members)**CONTACT:** info@sccij.jpJUNE
15

BELGIAN-LUXEMBOURG CHAMBER OF COMMERCE IN JAPAN

Delighting Customers: Eric Douilhet, Yuzo Kano, Vincent Nelias

TIME: 18:30-21:00**VENUE:** BNP Paribas, Marunouchi**FEE:** ¥5,000 (members), ¥6,000 (non-members)**CONTACT:** info@blccj.or.jpMAY
26JOINT CHAMBER EVENT:
BELGIUM-LUXEMBOURG, FRANCE, AND SWITZERLAND

Annual Golf Tournament

TIME: 08:00-17:00 (approximately)**VENUE:** Eagle Lake Golf Course, Chiba**FEE:** ¥16,000 (own transportation), ¥20,000 (bus)**CONTACT:** Respective chambers of commerceJUNE
21

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

Luncheon: William H Saito

TIME: 12:00-14:00**VENUE:** Grand Hyatt Tokyo**FEE:** ¥6,500 (members), ¥7,000 (non-members)**CONTACT:** info@sccij.jpMAY
31

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

Surviving & Thriving in Japan: Nicolas Savary, JAL-DFS

TIME: 19:00-21:00**VENUE:** Okuno & Partners, Kyobashi TD Bldg.**FEE:** Free-of-charge**CONTACT:** www.stofficetokyo.ch/swiss-experiences/JUNE
29

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

Surviving & Thriving in Japan: Joëlle Sambuc Bloise

TIME: 19:00-21:00**VENUE:** Okuno & Partners, Kyobashi TD Bldg.**FEE:** Free-of-charge**CONTACT:** www.stofficetokyo.ch/swiss-experiences/JUNE
3

FINNISH CHAMBER OF COMMERCE IN JAPAN

FCCJ Fishing Tour - by Kurihama Kurokawa Honke

TIME: 08:00-15:00**VENUE:** Kurihama, Kanagawa Pref.**FEE:** ¥8,000 (members), ¥12,000 (non-members)**CONTACT:** fccj@gol.comJULY
6

IRELAND JAPAN CHAMBER OF COMMERCE

Breakfast Briefing*

TIME: 08:30-09:30**VENUE:** Irish Ambassador's residence**CONTACT:** secretariat@ijcc.jp

* Only for Corporate and Professional Members



Professor Iskra Gencheva

Lakeland University Japan

Lakeland University Japan (<http://luj.lakeland.edu>), located in Shinjuku, is a branch campus of an American university.

“The academic programme at Lakeland University Japan is a personally engaging dialogue about the world we live in with all its variety: humanities and science, religion and society, media and art, economics and culture,” says world history and humanities professor, Iskra Gencheva, who also teaches at the University of Tokyo for its graduate programme.

“The diversity of the academic programme reflects the complexity of human life,” Professor Gencheva adds, “and thus guides young people to discover their own unique place in today’s reality, and their own role in creating a more humane world for tomorrow.” ●



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