EURO BIZ JAPAN

OCTOBER 2016

Universal basic income
Forward-thinking or wrong-headed?

At the pinnacle of a rewarding career
German Ambassador to Japan Dr Hans Carl von Werthern

Melting away
Japan's manufactured butter crises

Manoeuvring through uncertainty

James Robinson of Morrison & Foerster on preparing for a post-Brexit future

HJ ASSET MANAGEMENT

Japan Investment Solution

High-yields, ultra-low interest rates and a central bank on a mission to create inflation. There has never been a better time to invest in real estate in Japan.

Non-Recourse Finance

HJ Asset Management specializes in helping investors gain exposure to the Japanese property market. As a fully licensed asset manager, we work with investors to create tax efficient structures and to gain access to non-recourse financing with low interest rates and high loan to value. Find out how we can help create or improve your portfolio today.

hjasset.com | info@hjasset.com | 03-3588-8870

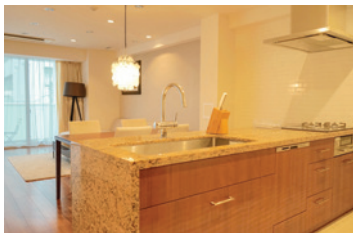
HJ Asset Management: CR Kamiyacho Bldg. 7F, 1-11-9 Azabudai, Minato-ku, Tokyo, Japan 106-0041

Tokyo Metropolitan Governor (1) No. 98912
Transaction Type: Brokerage

HOUSING JAPAN

Owning your own home in Tokyo

With record low interest rates and sensible lending practices, it might be cheaper than you think to purchase your own home in Tokyo.



Quolia Ginza
Price: ¥125,000,000
Monthly Payments: ¥276,498
Add: Chuo-ku, Ginza
Station: Ginza (7 mins)
Size: 90.53 sqm (2-Bed)
Year: 2004 (Freehold)

Minami-Azabu House
Price: ¥158,000,000
Monthly Payments: ¥440,300
Add: Minato-ku, Minami-Azabu
Station: Hiroo (10 mins)
Size: 156.15 sqm (4-Bed)
Year: 1994 (Freehold)

Arisugawa Park House
Price: ¥140,000,000
Monthly Payments: ¥309,678
Add: Minato-ku, Moto-Azabu
Station: Hiroo (8 mins)
Size: 76.54 sqm (1-Bed)
Year: 2008 (Freehold)

Forest Akasaka Hinokizaka
Price: ¥550,000,000
Monthly Payments: ¥1,376,746
Add: Minato-ku, Roppongi
Station: Roppongi (5 mins)
Size: 163.94 sqm (3-Bed)
Year: 2016 (Freehold)

Sendagaya Olympic View
Price: ¥705,000,000
Monthly Payments: Inquire
Add: Shibuya-ku, Sendagaya
Station: Gaien-Mae (11 mins)
Size: 403.1 sqm (6-Bed)
Year: 2008 (Freehold)

City Tower Azabu-Juban
Price: ¥198,000,000
Monthly Payments: ¥436,153
Add: Minato-ku, Mita
Station: Azabu-Juban (4 mins)
Size: 97.61 sqm (3-Bed)
Year: 2009 (Freehold)

Contact us for more

Get access to Japanese mega-bank financing, a wide selection of luxury residential property and an international team of agents; Housing Japan is here to help you complete the purchase of a Tokyo home that you love.

Housing Japan : CR Kamiyacho Bldg. 7F, 1-11-9 Azabudai,Minato-ku, Tokyo, Japan 106-0041

For sales information, contact the Housing Japan property representatives, Adam German & Chiaki Yamada.
Email: sales@housingjapan.com | Call: 03-3588-8861

Contents

October 2016

EBC

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

COVER PHOTO BY BENJAMIN PARKS

10

Manoeuvring through uncertainty

By Gavin Blair

First Focus

Burning bushes

Also known as fireweed and burning bush, Kochia deserves its evocative nicknames. Often used in gardens as an ornamental plant — but also as a drought-resistant, protein-rich forage crop for livestock — Kochia turns a vivid crimson for a short time in autumn. Though it may not be holy ground, visitors converge on the Hitachi Seaside Park in Ibaraki this time every year to see the hills ablaze.

shutterstock.com

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.

"The idea of a guaranteed income for all seems hopelessly fanciful, even for the most philanthropic among us. But as Holland and Finland are demonstrating, an economically viable alternative to means-tested benefits — the foundation of the postwar welfare state — may not be far off, even if the basic income discussion in Japan is still in its infancy."

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.

"After months of Brexit being a consistent topic of news headlines, social media posts and discussions — along with a surprisingly large number of questions from Japanese friends — learning about some of the legal issues involved gave me a fresh perspective. Hearing that the UK will likely have to abide by large chunks of EU legislation if it plans to sign trade deals with EU countries, got me thinking about the definition of irony."

Michael Holmes is a photographer in Tokyo specialising in commercial, editorial and event photography. His distinct style emphasises vivid colors and captures people's true emotions.

"Ambassador Dr Hans Carl von Werthern was a very interesting person to meet and photograph. It was fascinating to hear some of his life experiences, and his confidence was evident when replying to questions during the interview and in his body language while taking portraits of him. I appreciated how he took extra time to show us some of the highlights of his residence."

Tokyo journalist **Tim Hornyak** has covered technology in Japan for IDG News, CNET, Scientific American and other media, and is the author of *Loving the Machine: The Art and Science of Japanese Robots*. He has also co-authored Lonely Planet's guidebooks to Japan and Tokyo.

"Having flying robots delivering food, drinks and daily necessities to our homes seems like science fiction, but the technology already exists, and businesses are ready to make it happen as soon as there is regulatory approval. If and when it does happen, it'll be a major step forward into the future."

EUROBIZ JAPAN

Publisher
Vickie Paradise Green
paradise@paradigm.co.jp

Editor-in-chief
Andrew Howitt
andrew@paradigm.co.jp

Senior Editor
David Umeda

Creative Director
Paddy O'Connor

Art Director
Cliff Cardona

Illustrator
DJ

Sales Director
Tapo J. Mandal

Account Executives
Tamas Doczi
Erika Ishimura
advertising@paradigm.co.jp

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

Published by Paradigm
6F Daiwa Osaki 3-chome Bldg.
3-6-28 Osaki, Shinagawa-ku, Tokyo 141-0032
Tel: 03-5719-4660
Fax: 03-3492-1202
www.paradigm.co.jp

Published monthly in Tokyo.

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

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

Chairman Danny Risberg
Vice-Chairman Carl Eklund
Treasurer Erik Ullner
Executive Director Alison Murray
Policy Director Bjorn Kongstad
Communications & PR Yoko Hijikuro

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 preferred. Please allow two 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.

New to the BMW 7 Series lineup, a next-generation hybrid for the luxury class: introducing the BMW 740e iPerformance. Powered with BMW's proprietary eDrive technology, the 740e delivers both amazing acceleration and superb environmental performance. And with an EV-range of up to 42 kilometers,* short trips can be made without using a drop of petrol, making this luxury hybrid ideal for driving in the city. The New BMW 740e combines quality, comfort, innovation and safety to take luxury to exciting new heights.

New BMW 740e iPerformance

www.bmw.co.jp

Sheer Driving Pleasure

ELECTRIFYING LUXURY.

THE NEW BMW 740e iPERFORMANCE.

iPERFORMANCE

New 740e iPerformance 11,690,000 JPY	New 740e iPerformance M Sport 12,400,000 JPY

Comes well-equipped with various comfort features, and includes BMW Service Inclusive Plus – a comprehensive 3-year maintenance package for extra peace-of-mind.

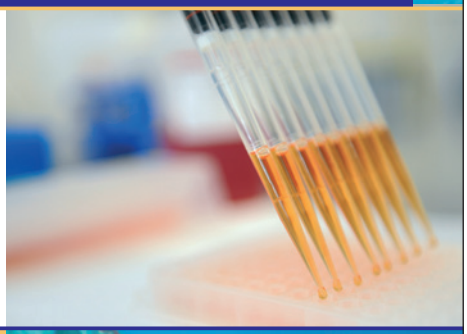
*EV mileage (plug-in range) is defined as the drivable distance on a single charge from an external source. The stated distance is the official calculation derived by standardized government testing procedures. This value can greatly vary depending on the surrounding environment (weather, traffic, etc.) and how the vehicle is driven (sudden acceleration, usage of A/C, etc.). Prices shown are the manufacturer's suggested retail price (including consumption tax). Price excludes insurance, registration fees, recycling charges, options and other applicable costs. Please contact your local authorized BMW dealer for details. Prices are subject to change without notice. Model shown in image: BMW 740e iPerformance. May include specifications not offered in Japan. Body color: Glacier Silver. Actual colors may slightly differ from the image shown due to printing conditions. Information is current as of October 13, 2016.

For inquiries, please contact: BMW Customer Interaction Center at 0120-269-437. Weekdays: 9am to 7pm, Weekends & Holidays: 9am to 6pm.

Boehringer Ingelheim

Value through Innovation

From Curiosity to Discovery



Research is Our Driving Force

Boehringer Ingelheim Japan, Inc.

ThinkPark Tower
2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6017 Japan
http://www.boehringer-ingelheim.co.jp

A meaningful journey

In August 1888, Bertha Benz became the first person in history to make a long-distance drive. She travelled a meandering 104km route across the hilly, roadless German countryside in the automobile her husband Karl Benz had invented, ostensibly to visit her mother in the town of Pforzheim. However, the real purpose of her trip was to generate interest in the vehicle that Karl had created — the incredible potential of which she saw more clearly than he did. The results of Bertha's drive were enormous: kicking off the automotive industry and putting the family business — which would later become Mercedes-Benz — on the road to becoming one of the most respected luxury brands in the world.

This month's Country Spotlight on Germany (page 22) takes a look at how products made by German engineers such as Benz have helped to build the country's economy and contribute to improving people's lives worldwide.

German Ambassador to Japan Dr Hans Carl von Werthern has served his country on different continents, but believes that in coming to Japan he has arrived at the pinnacle of his career. The Ambassador generously gave of his time to speak with *Eurobiz Japan* about this year's G7 Summit, the Brexit vote, and how the embassy is working to further strengthen trade relations between Germany and Japan (page 12).

On the October cover is James Robinson, partner at Morrison & Foerster. In *Manoeuvring through uncertainty* on page 10, Gavin Blair shares some of Robinson's insights into the changes expected for the post-Brexit world ahead.

Whatever journey you are on, continue to move forward with confidence, expecting that success is just around the bend.

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

TEXT BY GAVIN BLAIR | PHOTOS BY BENJAMIN PARKS

Manoeuvring through uncertainty

Morrison & Foerster prepares its clients for a post-Brexit future

The Tokyo offices of Morrison & Foerster (MoFo), one of the world's leading international law firms, is busy helping Japanese clients prepare for the potential implications of Brexit on their business operations in Europe and the UK, as well as advising SoftBank on its $32 billion acquisition of UK chip-maker ARM Holdings.

With around 130 attorneys, including 40 Japanese *bengoshi*, Japan's largest foreign law firm is a fully integrated operation, covering US, British and Japanese law, and offering legal services in fields including M&A, litigation and arbitration, finance and capital markets.

Uncertainty is always an unwelcome state of affairs for both businesses and investors, and in the case of Brexit, much remains unknown. The leave vote result was predicted by few, and the final result of such a momentous shift will be as tricky to forecast.

"We were as surprised as our clients — it was unexpected. It's too early to make a full assessment," observes partner James Robinson, who specialises in advising Japanese companies on outbound M&A deals.

"The one immediate impact was volatility on the currency side," he continues, noting that the subsequent weakening of sterling is at least a short-term silver lining for companies manufacturing in the UK and exporting to Europe and elsewhere.

"For the medium- to long-term, Japanese companies are trying to prepare, and a number of these are establishing project

> "We were as surprised as our clients — it was unexpected"

teams to analyse what the potential issues and impacts are for their own businesses. We've had a number of clients asking us to help them prepare," says Robinson.

MoFo has set up a task force, led predominantly by partners from across the firm's European offices, to help prepare responses to clients, many of whom have similar queries about the impact of Brexit.

The major areas of immediate concern are around data protection, financial services and tax, according to Robinson.

The EU is introducing a significant shift in approach to data protection, with a new set of rules that will come into effect in May 2018. The General Data Protection Regulation (GDPR) is "four to five times the length in written regulation of the current regime," he adds, and reflects recent changes, such as the rise of big data.

"The fact that the exit from the EU is likely to occur relatively soon after the regulation is introduced means the UK will have to come up with its own set of rules," explains Robinson.

One of the key issues is transferring personal customer or employee data between countries.

"The basic principle being that if you are in the EU, you can freely transfer data within its borders," Robinson explains. "But if the UK is outside of the EU, it will be treated like any other country and likely have to apply for its regime to be treated as equivalent."

From his perspective, if the GDPR is replaced with an equivalent regime in the UK, then that should be acceptable to the EU, though the verification process usually takes a number of years.

"For the Leave Campaign, the whole point of exiting was that you can then set your own rules. But in a number of areas, if the UK asks to get equal access to the European market and the EU says you need to have the same protections and regulations, then they are going to effectively end up applying EU laws, except, going forward, they will have no place at the EU negotiating table to set them in the first place," notes Robinson.

MoFo has also been getting a lot of enquiries about financial services issues, which Robinson describes as "more pressing" because applying for new regulatory licences is a lengthy process. The key point is that companies can currently "passport" financial products, meaning they can be sold in all 28 member states once they are licensed in one state.

"We expect the government to put that high on the agenda in the negotiations because preserving the City of London as a financial centre should be a priority. But the EU may not be so amenable to allowing the UK to pull out, but let London continue to sell its financial products across Europe unrestricted," he says.

In terms of tax, the big questions are about tariff levels, how the UK will deal with the VAT harmonisation that is currently an ongoing EU-wide issue, as well as transfer pricing — how much companies charge subsidiaries when they exchange goods internally, but that are cross-border transactions.

"If you manufacture goods in the UK with parts made in France and sell it to a subsidiary in the Netherlands, and they then sell them to customers in Germany, there are strict rules as to where you can book your profit. Within the EU, it's relatively straightforward; but once the UK is outside, it's going to become a big issue. The UK will have to negotiate double-tax treaties, and these usually take years to negotiate," notes Robinson.

And while the uncertainty around the Brexit vote is likely to have contributed to a cooling off in major M&A deals in the UK in the first half of this year, a matter of weeks after the referendum result, SoftBank made headlines with its $32 billion takeover of the UK's ARM. SoftBank CEO Masayoshi Son made a point of saying that Brexit hadn't impacted the acquisition.

Elsewhere though, the cheaper pound is a potential driver of deals.

"Yes, there's uncertainty, but if there's a target business in the UK that is strategically good and commercially sound, then it's worth going for," says Robinson. "Currency-wise, it's going to be cheaper. Targets that were previously overpriced will now become more affordable." ●

TEXT BY ANDREW HOWITT | PHOTOS BY MICHAEL HOLMES

At the pinnacle of a rewarding career

German Ambassador to Japan Dr Hans Carl von Werthern

German Ambassador to Japan Dr Hans Carl von Werthern has had a fruitful and rewarding 32-year career with posts to countries such as Paraguay, Belgium, Vietnam, the United Kingdom and China. He is someone who has placed a high value on lifelong learning, earning a PhD in economics, and later taking a mid-career sabbatical for a Master's in international relations from King's College, London. Today, he is studying Japanese. Since March 2014, the native of Frankfurt has been serving as Ambassador to Japan. He spoke to *Eurobiz Japan* about the 2016 G7 Summit, the Brexit vote, and how his office is working to strengthen trade relations between Germany and Japan.

What has your office been working on this year?

We are seeing that Japan's interest in Germany is constantly on the rise. The contacts in civil society — the many university partnerships, the town twinships, the Japanese-German associations — are as important as the contacts on the political level, and we are trying to strengthen both. We are encouraging more Japanese to find out about Germany — to visit Germany, to work, to travel, to study — and vice versa. This part of our work is as important as the things that happen in the limelight.

Our main task this year has been the G7 process — the Summit and all the many ministerial meetings. Quite a number of our ministers added bilateral meetings with Japanese counterparts after attending the G7 meetings. It has been very rewarding for us, but also quite hard work.

What were Chancellor Angela Merkel's priorities when she was here for the G7 Summit?

The Japanese presidency of the G7 followed on from the German presidency, and Japan has in many respects continued what Germany had started; what is important for Germany is important for Japan as well. It's the big issues — global growth, health, climate change, the fight against terrorism,

"what is important for Germany is important for Japan as well"

the refugee question and maritime security, which were very high on the agenda in Germany. The final statement of the G7 Summit leaders was — among other things — very clear on maritime security, with a view to the South China Sea. Chancellor Merkel was very satisfied with the summit.

As someone who has served in China, what do you think of recent developments with regard to the disputed territorial claims in the South China Sea?
Germany does not take sides in territorial issues. But we are very much in favour of an international order that is rules-based. There are always disagreements, but they should — and I think they can — be resolved by diplomatic means. Japan and China are currently working on this issue together.

Germany and France were arch-enemies over the centuries, and are now partners that are as close as is imaginable between sovereign states. Judging from that experience, I would say if such a development was possible between Germany and France, I don't see why it shouldn't be possible anywhere else in the world.

Could you tell me a little about your posting to China?
Well, what struck my wife most about China was that every morning after you left the

ALMOST 1 IN 3 PEOPLE DIE FROM CARDIOVASCULAR DISEASE

OUR SCIENTISTS WON'T ACCEPT THAT

According to the World Health Organization (WHO), cardiovascular diseases are the number one cause of death throughout the world.
That's why we're investigating treatments to manage heart failure, as well as prevent myocardial infarctions and strokes. Which heart patient wouldn't love to benefit from that?
To find out how our innovations are helping to change lives for the better, visit www.bayer.com/cvd1902.

BAYER

Science For A Better Life

house, you found something surprising: people walking backwards or playing the saxophone or shouting up into trees. And that, in a way, is true for politics as well.

I was Deputy Ambassador when I served in Beijing. Living in China and trying to find out what was going on behind closed doors — trying to encourage those parts of the Communist Party who were in favour of change — was both extremely interesting and quite challenging.

I was there between 2007 and 2010; during that period there were the Olympic Games, there was the big earthquake in Sichuan, the unrest in Tibet. There was a lot going on, and it was fascinating.

In what ways is your office working to improve trade relations between Germany and Japan?
We are active in highlighting the advantages of the Japanese market for German companies, and vice versa. We work closely with the German Chamber of Commerce and Industry.

The embassy, and the residence in a specific way, are meeting places for Germans and Japanese: politicians, entrepreneurs, cultural representatives. We have started a programme in the residence called Residence Executive Briefings where we invite a number of relevant people to hear a talk by two or three experts about a specific topic, for example, financial services or start-ups. For the business sector, it is quite helpful if they can meet their counterparts in the German residence in a relaxed atmosphere, talk about what they want to talk about, and get business relations going.

How do you see Germany benefitting from the signing of an EU-Japan FTA?
German politics, in principle, supports the idea of free trade. In German society, there is a certain reticence, and there are many protests against the Transatlantic Trade and Investment Partnership currently being negotiated between the EU and the US. However, I think a free trade agreement between Japan and the European Union would create a lot of jobs and would facilitate trade. German industry sees the main advantage in diminishing market entry barriers, including non-tariff barriers. Germany is very interested in getting standards and regulations onto an equal footing. So I do hope that the negotiations can be brought to a good end.

"Germany is very interested in getting standards and regulations onto an equal footing"

How do you predict that Brexit might affect Britain's long-term relationship with Germany and the rest of Europe?
It's very hard to predict. I was personally disappointed — I'm married to a British woman and have three binational daughters who are, incidentally, all working and studying in the UK.

I would say it was a shock, but it is not a catastrophe. The EU will survive it, certainly. And the UK will survive it. But it's not a good development. The immediate economic consequences have already become clear. For Japan, it was tangible. The rise of the yen makes Japanese exports more difficult because they are getting more expensive.

In the long run, I'm convinced that on both sides — on the EU side and the British side — people will try to make sure that the damage is as small as possible. But it all will depend on the negotiations between the EU and the UK. The EU has always come out of crises stronger than it has entered them. I hope that will be the case this time as well.

How would you describe your time living and working in Japan?
Having worked in the personnel department in Berlin for so long, I know that, sometimes, the people who are sent to their dream posts are bitterly disappointed because they often have expectations which can never be fulfilled. This is not the case for me. Being Ambassador to Japan is certainly the pinnacle of my career. ●

TEXT BY JUSTIN MCCURRY

ILLUSTRATION BY GUILLAUME BABUSIAUX

Universal basic income

Forward-thinking or wrong-headed?

Imagine if every citizen, regardless of age or employment status, received a modest, yet guaranteed, income from the state — no strings attached. It sounds like a pipedream, but universal basic income is becoming a reality in parts of Europe, and has sparked a debate among experts in Japan.

While basic income schemes differ in scope — from blanket coverage to payments targeted at specific groups — the aim is the same: to use taxpayers' money to cut through the red tape associated with means-tested benefits, encourage job-seeking, and tackle poverty. In short, this radical idea could be a cure-all for an unwieldy, expensive, and increasingly ineffective, welfare state.

Supporters say basic income would help those who lose out the most under the current social security arrangements, such as people who have

to juggle work with care-giving responsibilities at home, and unemployed youths with no incentive to take low-paying jobs for fear of losing their benefits.

Nesta, a UK-based innovation think tank, goes further, claiming that basic income is far more than just a streamlined safety net for the unemployed and for those making a low wage. "It can enable citizens to make greater unpaid contributions to their communities, strengthening the fabric of social relations and reduce the burden of professional care," Nesta has written, "And the reduction in poverty brought about by a basic income can provide children with a much better start to life."

Over the past year, basic income has moved out of the theoretical realm to become a reality in two European countries.

Last year, Utrecht in the Netherlands launched a trial in which its citizens were divided into different groups, with some people receiving conventional welfare payments, while others were given a basic income. In September, the Dutch parliament was reportedly planning to hold its first debate on basic income, in preparation for similar schemes involving people living on welfare.

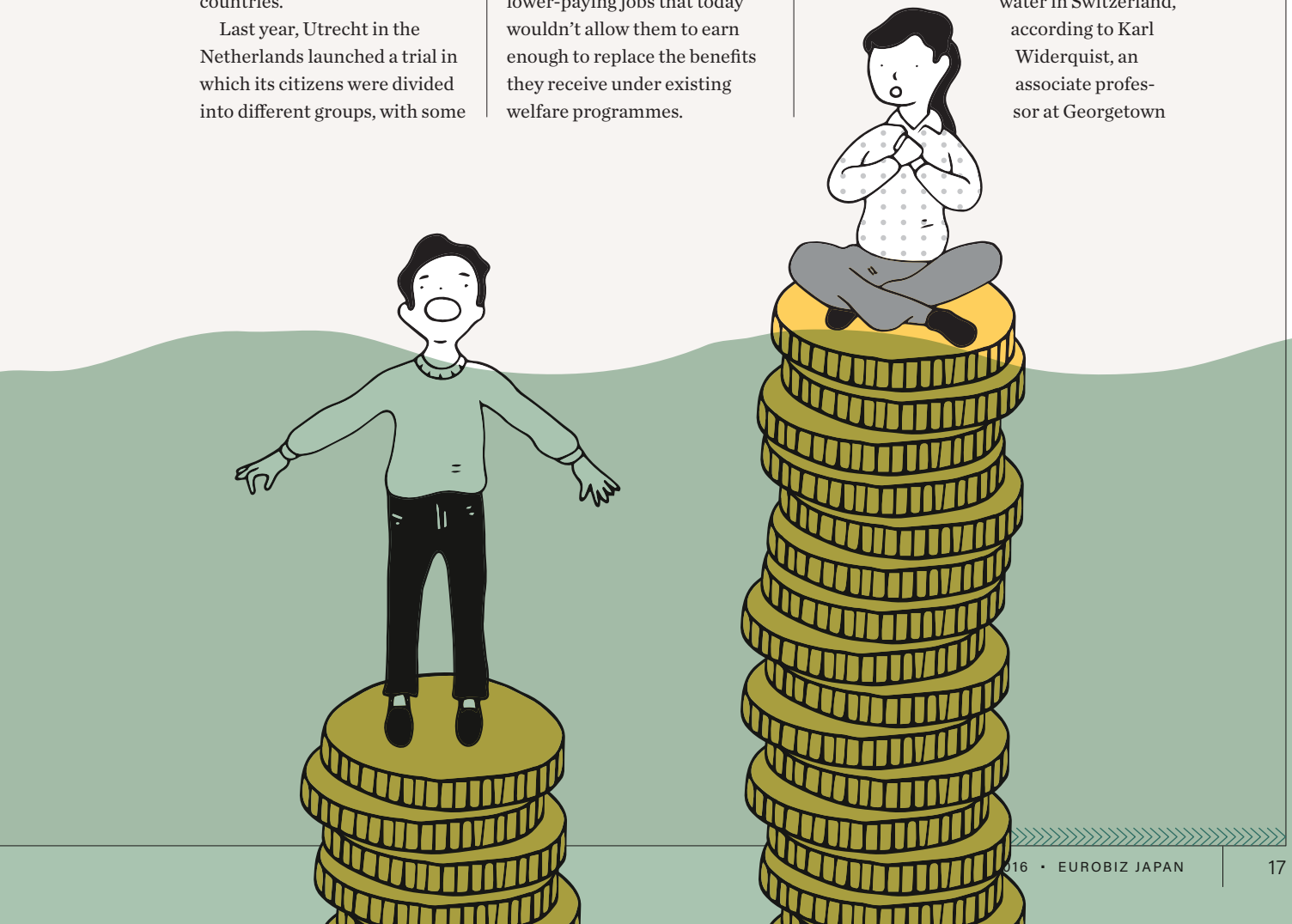
basic income would help those who lose out the most under the current social security arrangements

Finland, too, is about to embark on its own experiment applying a limited basic income. According to the Finnish government, a guaranteed income will encourage people to take lower-paying jobs that today wouldn't allow them to earn enough to replace the benefits they receive under existing welfare programmes.

Other countries will be watching closely how the pilot scheme fares in Finland, where about 8,000 people aged 25-58 who are out of work will receive a guaranteed, nontaxable €560 a month, instead of their welfare benefits. Crucially, the payments will keep coming indefinitely even after the recipients find work.

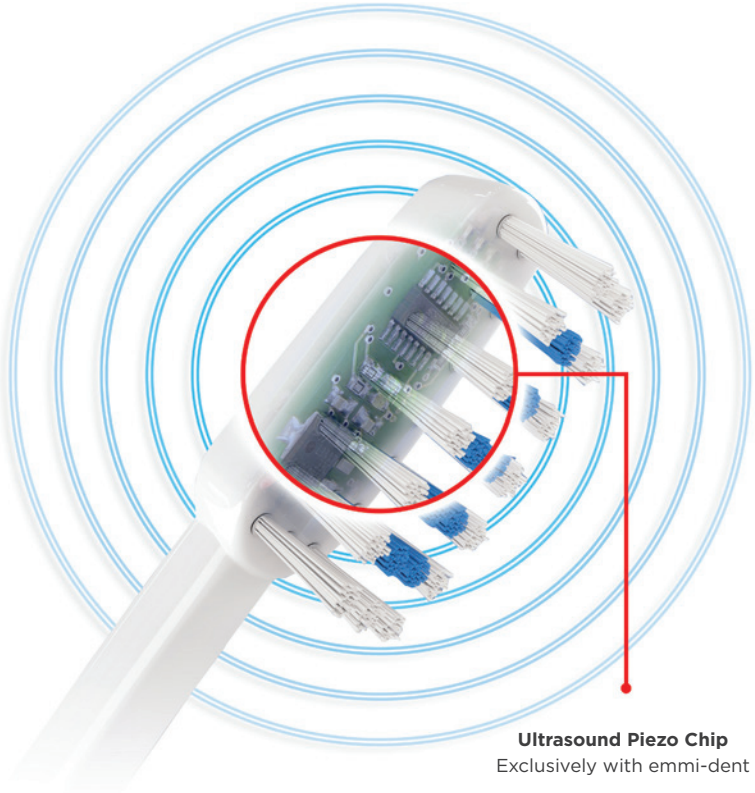
Not everyone is sold on the idea, however. In June this year, voters in Switzerland chose overwhelmingly to reject a proposal to introduce a universal basic income. Although tens of thousands of supporters forced a parliamentary vote on the measure under Switzerland's popular initiative system, 77% of its citizens who voted rejected the introduction of a basic income for adults, with only 23% in favour.

This outcome does not mean that basic income is dead in the water in Switzerland, according to Karl Widerquist, an associate professor at Georgetown



emmi-dent

SUPERIOR DENTAL HYGIENE



Ultrasound Piezo Chip
Exclusively with emmi-dent

The latest technology
from Germany

ULTRASOUND DENTAL CLEANING

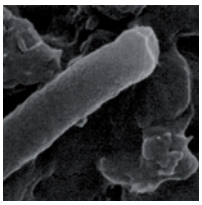
All existing tooth brushing techniques are abrasive, and harm enamel and gums — whether using an electric or regular tooth brush. The solution is emmi-dent, the first 100% ultrasound tooth brush made in Germany.

emmi-dent is revolutionary because of its patented ultrasound chip implanted into the brush head and the use of a micro-bubbles toothpaste. It ensures perfect plaque elimination deep into the gum pockets. emmi-dent tooth brushes have been proven efficient through clinical tests.

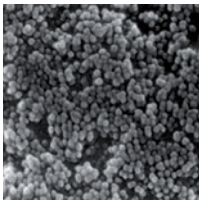
Emmi Ultrasonic Japan KK is a joint venture with German EMAG Technologies. It has more than 30 years' experience in ultrasonic B2B and B2C applications, including clinical ultrasonic cleaning devices and large-scale ultrasound factory cleaning machinery at Ferrari, Ford, Airbus and other multinational companies.

Eurobiz Japan readers are eligible for a 15% discount coupon for our web shop.
Promotion code: Eurobiz

Ultrasound and micro-bubbles eliminate bacteria and plaque without abrasion



Plaque bacteria magnified 30,000x



Micro-bubbles magnified 60,000x

info@emmi-dent.co.jp
www.emmi-dent.co.jp

University's School of Foreign Service in Qatar. "The Swiss referendum was no setback," says Widerquist, who has written extensively on basic income. "No one expected it to pass its first time; Swiss referendums seldom do. This drive was the first step in a long-term project."

In its purest and most comprehensive form, basic income covers every citizen, including pensioners and children, with payments either partly or wholly replacing pensions, unemployment insurance, child benefits and other forms of social security provisions.

Japanese proponents of basic income formed a network in 2007, and several Japanese Diet members, including those from the ruling Liberal Democratic Party's junior coalition partner Komeito, have expressed an interest. The idea, though, has not gained much traction since the LDP returned to power by a landslide victory in late 2012.

In many ways, Japan should be fertile ground for new approaches to dealing with rising poverty levels created by dramatic changes to the labour market. The country has some of the worst wealth inequality statistics and the highest child poverty rates among developed nations, coming 34th out of 41 OECD and European Union countries, according to a recent UNICEF report.

Dr Junko Yamashita, a senior lecturer in politics and international studies at Bristol University, says Japan's current social security system is wedded to the outmoded assumption that workers are in full-time regular employment, and it does not extend protection to irregular workers, who now make up more than a third of the workforce.

But Yamashita acknowledges that basic income lacks political support in Japan. "Basic income still is probably a utopian solution, as it is difficult to envisage how to build up the political resources," she says. "I'm not aware of anyone inside the current Japanese government who's expressed a positive opinion about basic income."

The changing nature of the work place, coupled with concern about rising poverty levels, could be the catalyst for a more serious discussion about the potential benefits of a basic income, according to some experts.

In Japan, as in other advanced industrial nations, technology and the rising use of robots is depriving more workers of the hours they need to make a living wage. Last year, Nomura Research Institute predicted that nearly half of all jobs in the country could be performed by robots by 2035.

Basic income could help Japan address arguably its biggest economic challenge of the next century: caring for its growing population of elderly people. A guaranteed income would make it easier for people with responsibilities towards elderly relatives, for example, to take time off work, safe in the knowledge that their income and job security would not suffer as a result.

Toru Yamamori, an economics professor at Doshisha University and Japan's most visible advocate of basic income, believes the individual rewards would have a positive knock-on effect beyond the work place.

"Many people in Japan are forced to engage in wage labour for incredibly long hours," he says. "The negative consequence of it is that people don't have the time or energy for unpaid work, either in the community or within their family."

Having a partial or full basic income, he adds, would give them the freedom to contribute more to their families and society in general.

The idea of a basic income beginning to take root in Japan will depend on how the Netherlands and Finland fare with their pilot programmes.

Yannick Vanderborght, a professor of political science at Université Saint-Louis in Brussels, believes Japan would make an ideal testing ground for a third major experiment with basic income.

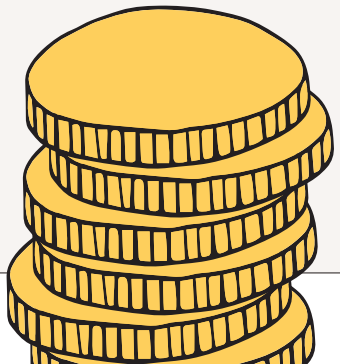
The bureaucracy required to apply for social assistance in Japan had resulted in a very low take-up rate of only 20% to 30% — an anomaly that the Democratic Party of Japan (DPJ) administration of 2009–2012 tried to address with the introduction of the child allowance legislation.

"But it also had to face fierce opposition from the LDP and the bureaucracy, especially after the LDP's defeat in the 2010 upper house election," Vanderborght says. "The short period of DPJ [now the Democratic Party] rule shows that reforms are possible, but that the weakness of Japanese social democracy is also a significant obstacle to the introduction of new income guarantees. The very strong work ethic makes the idea of an unconditional basic income an oddity in the Japanese context."

But he is still hopeful. "The Finnish case shows that even a right-wing government believes that basic income can offer a promising way of reforming the welfare state. Perhaps it could inspire the LDP government." ●

In Finland, 8,000 people aged 25–58 who are out of work will receive a guaranteed, untaxed

€560 a month.



TEXT BY ALENA ECKELMANN

Melting

The manufactured butter crises

Butter shortage — here we go again. A sign hanging from the butter shelf at the National Azabu grocery store in Tokyo informs customers they must limit their purchase of butter to two packs.

In September, the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) informed worried consumers that it will import an additional 4,000 tonnes of butter to get Japan through the peak butter seasons of Christmas and Valentine's Day.

'Emergency' butter imports toward the end of the year are not new. In recent years, Japan has experienced butter shortages and the ensuing additional imports on several occasions, but this year, it is already the second time; May saw 6,000 extra tonnes of butter imported.

Extreme heat this summer and a series of typhoons had a serious effect on Hokkaido's cattle, which are Japan's main source of raw milk for processing. Dairy cows fell sick and their milk supplies dried up in the wake of power outages caused by storms. Added to this, a shortage of forage for the livestock led to an unexpected decrease in raw milk production.

In the 1960s, there were 418,000 dairy farms in Japan with an annual production yield of 3.84 million tonnes. By 1975, there were only 175,000 farms, and the declining trend has continued, leaving just 17,000 farms today.

In order to meet the demand for raw milk, the herd size on farms has increased from an average of three or four cows in 1965 to 70 cows per farm, resulting in a raw milk yield of 7.5 million tonnes.

Of the 3.47 million tonnes Hokkaido produces for the domestic market, only 550,000 tonnes is set aside for drinking, and 2.92 million tonnes of this figure is processed for products such as cheese and butter.

In essence, with so much reliance on a single source, the market for butter is extremely vulnerable.

Meanwhile, per person consumption of dairy products has risen every year in Japan from 37.5kg in 1965 to over 90kg today. The share of butter in dairy consumption may be low, but it has increased 10 fold over the same period, from 0.2kg to 2kg.

Japan is not a self-sufficient producer of dairy products; the country imports four million tonnes annually to meet the current domestic demand of 11.5 million tonnes.

Its dairy segment is one of the most restrictive agricultural markets. Introduced in 1966, The Act on Temporary Measures Concerning Compensation Prices for Producers of Milk for Manufacturing Use continues to govern the industry.

The Agriculture & Livestock Industries Corporation (ALIC) — a quasi-governmental agency — administers both manufacturing and imports under this act. The system was designed to balance supply and demand.

2kg a year

Butter consumption per person

However, adverse conditions that impact production keep challenging the status quo.

Most dairy farmers sell their product to dairy cooperatives in 10 regions across Japan, as designated in the aforementioned act. These dairy cooperatives then sell to raw milk processors — first and foremost, to the country's largest dairy producers — such as Meiji, Morinaga and Megmilk Snow Brand — and, to a lesser extent, to smaller producers.

The price to be paid for milk is fixed in contracts negotiated annually between the cooperatives and producers. Drinking milk fetches a higher price (¥115/kg) than milk for processing (¥60–¥80/kg), such as for making cheese or butter. To make up for this price discrepancy, subsidies are given to milk processing producers.

In order to secure funds for subsidies, ALIC plays the import market, running a simultaneous buy-and-sell tender system.

Several times a year, tenders for buying are issued, inviting the private sector to bid. Successful bidders are those that offer ALIC the lowest price for their milk products. ALIC then sells these products back to the private sector at the highest possible price. The resulting profit is used for subsidies to support farms that produce the milk for processing.

Not all private sector companies can take part in

away

this bidding process — there is currently a shortlist of 30. And only a few foreign firms have managed to make it on to this list. They include Meggle (Germany), Arla Foods (Denmark) and Fonterra (New Zealand).

"the market for butter is extremely vulnerable"

Frustration about the prohibitively high cost of imports runs rampant among interested exporters to Japan, and this simple calculation shows why:

For imports of butter, one has to pay 29.8% for cost, insurance and freight (CIF), plus an additional duty of ¥1,159 yen/kg. The current wholesale price for butter is ¥800–¥1,000/kg.

Even for the cheapest butter from Europe at a CIF of €3/kg, importers end up paying ¥1,650 (€3 x 29.8 % + ¥1,159/kg). By tripling that price, you arrive at a wholesale selling price of ¥4,500/kg which is nearly impossible to sell in Japan.

"There are some additional costs in Japan that the importer has to bear, including the high cost of storage for products that require refrigeration," says Jürgen Schmid, director of the Natures Department at SKW East Asia Ltd. "You also have to figure in expected losses due to damaged packaging, and waste when portioning out the butter."

Fortunately, remedies for Japan's dairy market — reforming the production and distribution system and relaxing imports — are in the making.

This summer, MAFF set up a working group comprising representatives from dairy cooperatives and from the dairy processing industry to investigate possible changes to the current system of raw milk production and distribution.

Points of discussion included whether controls through ALIC and the cooperative system should be dismantled in favour of free-market transactions, and whether subsidies should be given to foster a climate of initiative and creativity in marketing among farmers, and to boost productivity. A conclusive report is expected this autumn.

While the majority of butter imports through ALIC currently come from New Zealand — holding a 63% share — EU countries are already in the game. According to figures from 2014, imports from the Netherlands account for 2,532 tonnes (20%), from Germany, 624 tonnes (5%) and from France, 25 tonnes.

Once the EU–Japan free trade agreement negotiations succeed in removing tariff stumbling blocks, EU dairy cooperatives and exporters will be ready to start trading more with Japan. ●

TEXT BY ANDREW HOWITT

WWW.JAPAN.AHK.DE/EN

Germany

Engineering is everything

Proof of Germany's excellence in engineering can be seen simply by looking at the country's long-standing dominance in the automotive industry. With two Germans independently inventing the internal combustion engine in the 1870s, and Karl Benz patenting the first motorcar in 1886, Germany is the undisputed birthplace of the automobile. Since the 1960s, the country has been a worldwide leader in the industry; and today, German firms annually produce six million vehicles domestically and 5.5 million units overseas. Mercedes-Benz, BMW, Porsche and Audi are all internationally lauded brands, while Volkswagen is currently the world's largest automaker.

There is also a thriving group of German firms that support the automotive industry with well-engineered products. Focusing on tires, brake systems, automotive safety, and fuel consumption reduction, Continental has developed a wide range of intelligent technologies and components. It serves all major vehicle manufacturers.

Bosch, another leading parts supplier, makes everything from generators and steering systems to lights and wiper blades. It is one of the world's top producers of car-stereo and navigation systems.

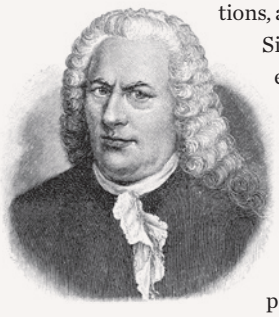
German engineering skills are instrumental in far more than vehicles, however, with companies spe-

cialising in products across the spectrum from the minute to the massive. Würth's wide range of fastening and assembly materials — including screws, nuts and washers — are used by metal and wood sectors, as well as automotive and construction industries. Its products can be found on oil rigs, in heavy-duty construction equipment, and even inside the pilgrimage centre at Mecca. There, nearly one million of Würth's screws — coated in gold — are to be found in the 47,000 crystal chandeliers that each have up to 200 screws.

Precision engineering is exemplified by watchmaker Glashütte Original's timepieces. Some models contain 300 or more parts, and assembling them can require accuracy to 5/1000 of a millimetre. The company is also helping to preserve the traditional watchmaker's craft through its Glashütte Original Alfred Helwig School of Watchmaking, which opened in 2002.

ebm-papst is the global leader in the manufacture of fans and motors. Its products have applications that extend to air conditioning, household appliances, IT and telecommunications, as well as to the automotive industry.

On the large-products end of the spectrum, Saarschmiede GmbH Freiformschmiede manufactures forgings using its melting, forging, and heat treatment processes. Power generation machinery is the company's core business, producing generator shafts, as well as steam and gas turbines for use in waste management plants, nuclear and fossil-fuel power stations, and renewable energy plants.



Siemens, meanwhile, is the largest engineering firm in Europe, employing 343,000 people. It has a portfolio that reaches into every imaginable field — including energy, healthcare, building and drive technologies, automation — and countless consumer products. It is rare to see a single company making such diverse products as fire safety items, controls for power transmission, CT scanners, trams and light-rail vehicles, hearing aids, sensors, and systems for airport logistics.

"Japan is Germany's second most important trade partner in Asia," says Marcus Schürmann, Chief Executive Officer of the German Chamber of Commerce and Industry in Japan. "As the official trade promotion agency, the chamber represents German businesses and their interests in Japan." ●

Trade with Japan

Imports from Japan: €20.2 billion
Exports to Japan: €17 billion

SOURCE (2015 FIGURES): https://goo.gl/PIMyEH

Area
357,022 km². Coastline: 2,389km.

Climate
Temperate and marine; cool, cloudy, wet winters and summers; occasional warm mountain (*Föhn*) wind.

Major cities
Berlin (capital), Hamburg, München, Cologne, Frankfurt, Essen, Dortmund, Stuttgart, Düsseldorf and Bremen.

Population
80,854,408 (July 2015, estimate). Urban population: 75.3% (2015). 41.38% are 25–54 years (2015, estimate).

Natural resources
Coal, lignite, natural gas, iron ore, copper, nickel, uranium, potash, salt, timber and arable land.

BJB CO., LTD.

BJB Co., Ltd. was founded in 1998, and is located in Yokohama. It is one of eight subsidiaries of the German company BJB GmbH & Co. KG.

We produce LED light sources, connectors and lampholders, along with lights for domestic appliances. We are the market leader for lampholders and wiring/test systems that apply our automation technology.

www.bjb.com

BJB
Technology for Light
Components · Optics · Automation

HDI GLOBAL SE

HDI Global SE partners with companies by offering business insurance solutions that they can rely on. We provide global insurance cover from a single source, to suit every type of company. With a history and experience of more than 100 years as an industrial insurer, HDI Global SE develops customised insurance concepts.

www.hdi.global
03-4577-7780

HDI

SONDERHOFF & EINSEL

Since 1910, Sonderhoff & Einsel has been providing comprehensive advice to European and Japanese corporate clients through seamless cooperation between our legal, IP, tax, and accounting professionals. Our strong European roots are based on longstanding relationships with many European and German companies with operations in Japan and the leadership of the firm by our Managing Partner Felix-Reinhard Einsel. Together with our Japanese Managing Partner Keiji Isaji, we look forward to expanding our presence globally over the next 100 years.

se1910.com

SONDERHOFF EINSEL
seit 1910

MIELE

Founded in 1899 in Germany, premium household appliance brand Miele is loved by discerning customers from around the world.
Miele celebrates its 25th anniversary in Japan next year.
Come and experience the brand environment of Miele at its two directly owned showrooms — Miele Center Omotesando, the interior designed by internationally renowned architect Kengo Kuma; and Miele Center Meguro.

www.miele.co.jp

Miele
IMMER BESSER

TEXT BY ANDREW HOWITT | PHOTO BY KAGEAKI SMITH

"There were *kanji* lessons every day, and the teacher was a Belgian priest"

Nicolas Sauvage

Cultivating lifelong assets

Do you like natto?

Time spent working in Japan: 13 years over four different periods since 1982.
Career regret: None.
Favourite saying: Stay positive and keep looking ahead.
Favourite book: I'm currently reading *Voices from Chernobyl* by Svetlana Alexievich. It's mind-blowing. She got the Nobel Prize for Literature in 2015.
Cannot live without: Family.
Lesson learned in Japan: I've learned that things can be very valuable even if they aren't old. And also, it's important to do your work well, whatever it is.
Secret of success in business: In multi-cultural environments, never hesitate to repeat and keep explaining your message — you many think people understand while that might not be the case. Equally important is to listen.
Favourite place to dine: I like places where you can share, like soba *izakayas*.
Do you like natto?: No, I don't. The rest of my family does, though, and it keeps them in good health.

In 1982 — when François Mitterrand was president of France and Jean-Luc Godard's *Passion* was in the cinemas — a young man from the suburbs of Paris, just having graduated from a French literature programme at university, embarked on a trip that would shape his future. At school, Nicolas Sauvage had discovered Japanese literature and cinema — in particular, the books of Nobel Prize laureate Yasunari Kawabata and renowned filmmaker Yasujiro Ozu — and he decided that he would go to Japan to learn the language.

Sauvage enrolled at the Franciscan chapel Japanese language school in Roppongi. One class stands out in his memory, and has had a lasting impact on both his personal and professional life.

"There were kanji lessons every day, and the teacher was a Belgian priest," says Sauvage. "He was a very funny man and a good teacher. He had written a textbook, and I think it's the best book for learning Chinese characters."

In every hour-long class, the students would be taught four or five *kanji* characters, and the Belgian priest would tell a story about each one as a memory aid.

"His stories about where their meanings come from were well thought out and helped me to remember them," explains Sauvage. "So if today I can read a document in Japanese, that's thanks to him. I'm very grateful."

In addition to working in Japan, his career with the French financial services provider Crédit Agricole would later take Sauvage to Hong Kong for 10 years and to South Korea for four, and his ability to use Chinese characters helped him to adapt and to communicate throughout these assignments.

Since the early 1980s, his passion for Japanese culture has only become more intense. He collects *sobachoko* and now has nearly 50 of these simple, decorative cups.

For the past four years, Sauvage has belonged to a France-based Francophone haiku association, a group with more than 300 members. It publishes a quarterly magazine, which focuses on a different theme in each issue.

"I got into it by chance," says Sauvage. "I think it's a good connection with France — something that is very different from the connection I have through business."

Sauvage is deputy CEO, in charge of HR, control functions and communication, at asset management firm Amundi Japan. Amundi is a subsidiary of the Crédit Agricole Group, managing around €1 trillion, and is the only European firm among the top 10 asset managers in the world.

Amundi Japan looks after portfolios for pension funds, banks and insurance companies. It also manufactures mutual funds for retail investors and distributes them through banking or securities networks.

"Japan is very important for us — Amundi Japan is the largest subsidiary outside Europe," Sauvage states.

"And we have Japanese DNA at Amundi Japan from the past acquisition of two local companies, which makes us very different from other foreign-affiliated companies."

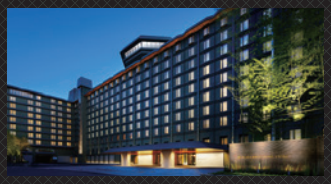
The Japanese language skills that Sauvage acquired after university were a determining factor in his securing a position at Crédit Agricole's Japan office in 1986, and being sent back to Japan from 1995 to 1997, and then again, with Amundi, in 2011.

While still in high school, Sauvage learned an important lesson for business — about the need to create strong teams — through playing bass in a rock band.

"Being part of a rock band is a fantastic experience because creating something together is great — it's like a management team," says Sauvage. "The best management teams combine very different personalities. And, like in rock, rather than 'going solo', the best results are achieved when you have these different types of people bringing their skills and talents together."

Although he doesn't play an instrument any more, he is a big music fan, listening to a wide range of genres and occasionally going to music festivals.

"I hope that one day I can learn to play the piano. Right now, I can only read music with a lot of difficulty," states Sauvage. "But if I can read Chinese characters, I should be able to learn to read music, too — I love tackling new challenges."



RIHGA ROYAL HOTEL KYOTO

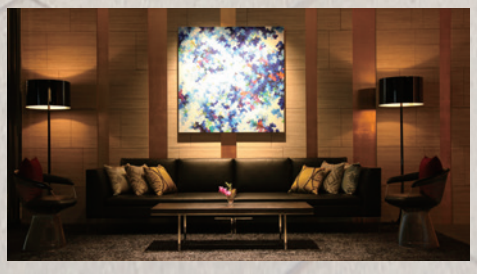
Refurbished Sep. 2016

Artwork along the wall of our banquet lobby

Expressing the “Gracefulness of Kyoto” with strings of silk and cotton, in gold and silver thread. These are the strings used for the OBI sash of a kimono.

A new place where you can discover Traditional Kyoto

Originally built 47 years ago, the hotel has been reborn following a major renovation that preserves the deep traditions of Kyoto.
RIHGA Royal Hotel Kyoto offers the very best in hospitality, and its new facilities are where guests can discover and enjoy all the elegance and grace of Kyoto — along with something new.



RIHGA Royal Hotel Kyoto

1-Taimatsucho, Shiokoji-sagaru, HigashiHorikawa-dori, Shimogyo-ku, Kyoto 600-8237, Japan
Phone : (075) 341-1121　URL: www.rihga.com/kyoto

TEXT BY KEVIN RAFFERTY

Obama's call for moral re-awakening goes unheeded

Nuclear threat the biggest danger facing the world

President Barack Obama was typically eloquent when at the Hiroshima peace memorial: "A flash of light and a wall of fire destroyed a city and demonstrated that mankind possessed the means to destroy itself," he told the city, Japan and the world.

The atomic mushroom cloud, he said, reminded us of "humanity's core contradiction, how the very spark that marks us as a species — our thoughts, our imagination, our language, our tool-making, our ability to set ourselves apart from nature and bend it to our will — those very things also give us the capacity for unmatched destruction."

Obama called for a "moral awakening ... the courage to escape the logic of fear" and pursue a world without nuclear weapons. He departed after hugs and tears with *hibakusha* — victims of the bombing.

Since then, North Korea has actively undermined Obama, and America's reputation as a superpower, determined to make the world accept that it is already a nuclear power.

In September, Pyongyang conducted its fifth and most powerful nuclear test, with an estimated yield of 10 kilotons. It then tested a new high-powered rocket engine that could be used for an intercontinental ballistic missile. Kim Jong-un, North Korea's 30-something leader, promised a new test "in a short time," which would be "a nuclear warhead explosion test."

At the United Nations general assembly, North Korea's foreign minister Ri Yong-ho defied and denounced UN sanctions, claiming that the nuclear weapons were "a righteous self-defence measure" against "constant nuclear threats of the United States." He added: "Going nuclear-armed is the policy of our state." Weapons experts who had questioned North Korea's nuclear boasts are now taking Pyongyang seriously. It is not only its progress on nuclear bombs, but on ballistic missiles to deliver them.

The rest of the world spluttered with anger against North Korea and called for stronger sanctions, and China joined in the chorus. But Beijing is reluctant to do anything that might undermine the Kim regime. Sanctions against North Korea have too many loopholes. Just to take one example, mineral trades with China are "a cash cow" for Pyongyang, according to the Korea Development Institute.

North Korea's graduation to nuclear state is a challenge to Obama's dream. Former US defence secretary William Perry has done a great job of outlining the nuclear threats to the world in his book *My Journey at the Nuclear Brink*. And the nuclear issue is only one multiple-warheaded threat among a galaxy of others that endanger the peace and safety of the world, the lives of millions of people, and the future of planet Earth itself.

Short-term, the best hope of putting realistic pressure on North Korea is through China. But Beijing, which also helped Pakistan with its nuclear programme, won't do anything that will shake its growing domination of Asia, especially if Donald Trump becomes US president and plays into China's hands by removing US troops from Asia.

Learned professors of realpolitik are writing about the decline of the West and arguing when China will be the world's top dog — as soon as 2020 or as late as 2040.

But the fragile, battered Earth of the 21st century needs to get beyond the old realpolitik of war, conquest and top dogs. Any new war involving the US, China or Japan would have disastrous consequences for all of us.

Beijing would show real 21st century wisdom if it used soft power — to listen to and accommodate people outside the Middle Kingdom — to understand that we all have to live together in some kind of harmony if mankind is to survive. ●

Kevin Rafferty is a journalist and commentator, and quondam professor at Osaka University

TEXT BY JAMES DOUGLAS

Giving banks a run for their money

Fintech disruptor TransferWise launches in Japan

Taavet Hinrikus and Kazuma Ochi

Frustrated by the high cost of transferring money overseas, and especially by the hidden fees that banks charge to do this, Estonians Taavet Hinrikus and Kristo Käärmann decided to take matters into their own hands.

Five years ago, Hinrikus — the first employee at Skype — was living in London, but getting paid in euros to his bank account in Estonia. Käärmann was also living in London, and he needed to send money home to make his mortgage payments.

"We went to our local bank and said we wanted to transfer [some money]," recalls Hinrikus, "but what the bank forgot to tell us is that they would charge an arm and a leg for it."

In addition to a hefty transaction charge, the bank tacked on to the exchange rate a hidden fee of an extra 3%–5%.

The two friends realised that they could do the exchange between themselves and avoid having their money change currencies and cross borders. They got the mid-market exchange rate from Google and Hinrikus began transferring money to Käärmann from his account in Estonia, while Käärmann put money in Hinrikus' account in London.

"It was much quicker, it saved us a lot of money, and gave us the great feeling of having avoided being taken for a ride by our bank," says Hinrikus with a grin.

This is how the Fintech company TransferWise was born. Established in June 2014 and today a global company employing 600, it transfers more than $1 billion worth of customers' money every month. Transactions are on average one third the cost of those made through banks — with TransferWise charging roughly 1% — which means it is saving users more than $1 million in bank fees every day. At present, the service is available in 36 countries and money can be sent to 55 countries — a total of 645 routes.

TransferWise Japan was officially launched last month on 7 September. At a press conference announcing the launch, Hinrikus, CEO and co-founder of the parent company, spoke about the business together with Kazuma Ochi, the Japan country manager.

"At TransferWise, we want to get rid of inconvenience and hassle, so we're constantly thinking about how to make the user's experience easy and straightforward," explains Ochi. "Every step of the process can be done on people's smartphones or PCs. After confirming the identity of the user, our system is set up so all of the necessary procedures for transferring money can be completed in just a few minutes."

Using TransferWise is simple: customers select their desired currencies, enter contact and payment details, along with the amount they wish to transfer. After a three-step verification process, TransferWise receives the money and makes the transaction at that day's mid-market rate. Confirmation is sent once the transfer has been completed.

"The key reason we set up TransferWise was for lack of transparency and for unfairness in financial services," says Hinrikus. "Banks around the world are adding these hidden fees and we believe this is a huge issue. It's something we're trying to change."

Customers today expect things to be cheaper, faster, and easier-to-use, which is why firms with disruptive innovations, such as Skype and Uber, have become so successful. Tech companies are stepping in and beginning to offer a wide range of services, including lending and asset management, that are traditionally the exclusive domain of banks — and are giving financial institutions a run for their money.

"The smart banks realise they need to become as nimble and fast as tech companies," states Hinrikus. "They really need to be offering services that are tailored to the consumers, not to the banks."

TEXT BY TIM HORNYAK

Making waves overhead

Drone deliveries could speed commerce and help the environment

Thirty minutes after ordering a pizza from your smartphone, you hear a loud buzzing outside your home. A flying drone sets down the pizza in a designated landing zone, then quickly takes off and is soon far above your house.

This isn't a scenario from science fiction; drone deliveries are already happening in authorised areas in Japan as well as overseas. Earlier this year, Rakuten began trial drone deliveries of food, drinks and golfing gear at a golf course in Chiba Prefecture, east of Tokyo. The e-commerce giant is also involved with an experiment in which drones are ferrying goods to condominium residents in a high-rise area of Chiba City. Across the Pacific, in Nevada, the first drone delivery endorsed by US aviation officials took place in July. The drone's cargo was a chicken sandwich, donuts and hot coffee, and had been shipped from a 7-Eleven convenience store.

drone deliveries are already happening

Some of the biggest names in technology, such as Amazon and Google, are betting on a transformation of the shipping industry where quadcopters and fixed-wing aircraft become the standard. While regulatory hurdles in the US are keeping Amazon's Prime Air delivery service grounded for now, the global retailer has partnered with the British government to examine the viability of drones delivering packages weighing 2.3kg or less, which make up some 90% of its sales. In China, e-commerce company JD.com has also experimented with unmanned aircraft for deliveries, but is now taking a different route — it's developing a six-wheeled, one-metre-long ground robot that can navigate autonomously. The droid, which may be commercialised next year, has six compartments that can hold goods of various sizes.

Japan had a rude awakening to drone technology in April 2015 when a protester landed a flying robot carrying a radioactive substance on the roof of the prime minister's official residence. The Diet reacted with new restrictions on unmanned aerial vehicles in densely populated urban areas. Japan has yet to develop a successful consumer drone, but it has been pushing forward with drone technology for industrial and business applications in everything from crop spraying to aerial surveying and infrastructure inspection, with Sony spinoff Aerosense being one of many emerging players in this field.

While the government is apparently comfortable with drone deliveries to homes in some urban areas, it's more likely to focus on allowing them to be used to ferry supplies to depopulated regions and remote islands. Another application would be carrying supplies to areas struck by disasters. So if you're living in the middle of Tokyo, you might have to wait a while for that flying pizza. If you're in the Japanese countryside, however, keep your eye on the sky.

HOLISTIC LEARNING *by* HEAD, HAND *and* HEART

The Deutsche Schule Kobe/European School (DESK) is both a German school abroad supported by the German government and an IB World School. DESK was founded in 1909 as a German school to serve German-, Austrian- and German-speaking Swiss expatriates, traders and missionaries living in the Kobe area. We are one of the oldest foreign schools in Japan and the second-oldest German school in the Far East.

In 2002, the DESK School Board decided to add "European School" to our name in order to reflect how we provide the IB Primary Years Programme to English-speaking learners, in addition to the original German-language programme. In 2016, DESK opened the doors to an additional building for the new middle school programme and a growing student body.

For children from 2 to 14 years old, DESK provides an exceptional education that not only is rooted in its German heritage and European culture, but also embraces the rich diversity in our world. We approach education holistically in order to ensure that students learn using their heads, their hearts and their hands.

Our curriculum follows the International Baccalaureate (IB) Primary Years Programme and the educational plans (Bildungsplan, Lehrpläne) of the German state of Thuringia. As of 2016, we also have become an IB Middle Years Programme Candidate School.

DESK is home to a genuine school community that values its history of German roots and prepares children from numerous countries and a variety of cultures for a shared future.

Testimonials from the IB Asia-Pacific Region, 2015–2016

"[DESK] places great importance on language learning, particularly host country languages of Japanese and German."

"Parents, teachers and particularly students were open and honest about their experiences in the school and demonstrated great respect and affection for their school community."

"[DESK] has made effective use of its community and cultures to enrich the learning ... in the school, particularly in relation to the multiple perspectives provided by a multilingual community."

Deutsche Schule Kobe/European School,
Rokko Island, 3-2-8 Koyochonaka, Higashinada-ku,
Kobe city 658-0032.
Tel: 078-857-9777. **www.dskobe.org**

Primary Years Programme

DAS Deutsche Auslandsschulen International

DEUTSCHE SCHULE KOBE *European School*

TEXT BY GEOFF BOTTING

Energy

Attempting to generate a more efficient system

The Fukushima nuclear-power crisis of 2011 triggered sweeping changes in Japan's energy scene. In its aftermath, government officials went to work on a series of bold measures to reform the ways the country manages, generates and distributes power.

They drew up targets for increasing the use of renewables and also toughened safety standards for nuclear power plants and fuel-cycle facilities.

Watching closely were businesses and investors from a wide range of energy fields, hoping to gain a foothold in a more open, deregulated market.

But much of the excitement has since faded. A feed-in tariff introduced for solar energy has since been lowered. Fossil fuels have become cheaper, making them more attractive again to the utilities.

"It was a special situation," says EBC Energy Committee chairman Taku Niioka, referring to the period following the March 2011 crisis. "There was real emotion and a mood to change the system — and people supported it."

With many nuclear plants still offline, fossil fuels now account for a bigger chunk of Japan's energy mix than before 2011. Renewables are also taking a bigger share, albeit less than originally anticipated.

"The gold rush is over," says committee member Manfred Brinkmann. "The good thing is that the easy-to-develop places have pretty much been done on the solar side, but that doesn't mean development is over."

Brinkmann, of TÜV Rheinland Japan, adds that the renewable energy business is a lot more professional nowadays, populated by experienced people.

The Energy Committee has been keeping such changes in mind as it compiles its chapter for the upcoming 2016 EBC white paper. Its section in last year's white paper reflected the period of rapid transition. The content for this year will take into consideration the more settled nature of the market and be less "political", according to Niioka, of ABB KK. The advocacy points will be largely the same as a year ago, but will carry a softer tone.

"We want them to be useful for regular, day-to-day business," he says. "Otherwise, it will be really difficult to trigger discussions with Japanese ministries and agencies."

The committee's recommendation list fills two pages and reflects its diverse membership. Energy Committee members include European companies in the nuclear, renewable and oil energy fields, and businesses handling processes such as certification, generation and distribution.

When it comes to energy, Philips Lighting Japan GK wants its customers in Japan to use as little of it as possible; the company is promoting highly efficient lighting systems.

"We're working on 'connected lighting', using the cloud or some kind of telecommunication," says Koji Makino, the company's key account manager. These innovations fine-tune the systems for maximum energy-efficiency, he adds.

Another committee member is Areva Japan Co. The unit of the French nuclear-power multinational is involved in all nuclear fuel-cycle activities — uranium, mining, conversion, enrichment, used-fuel reprocessing and interim storage, as well as decommissioning and dismantling nuclear power plants.

Areva Japan's Bastien de Lazzari says his firm takes particular interest in the committee's advocacy point on the unbundling of power generation and transmission, a reform aimed at bringing competition to the market, and on how it will affect Areva's customers.

"It's always interesting to have news or comments from the people in transmission and distribution, and I try to see their different perspectives," de Lazzari says.

Niioka notes that this kind of exchange among knowledgeable people in different areas of the same general industry make the committee a valuable forum for its members.

"Our topics are very broad," states the committee chairman, "and usually there's a lot of sharing among our professional fields about what the problems are and what can be done better about them."

Advocacy issues

Stable supply
Renewable energies should be developed using realistic targets that underpin the safety and reliability of the nation's energy supply.

Deregulation/unbundling
The government should make efforts in its regulations to ensure transparency and cost efficiency.

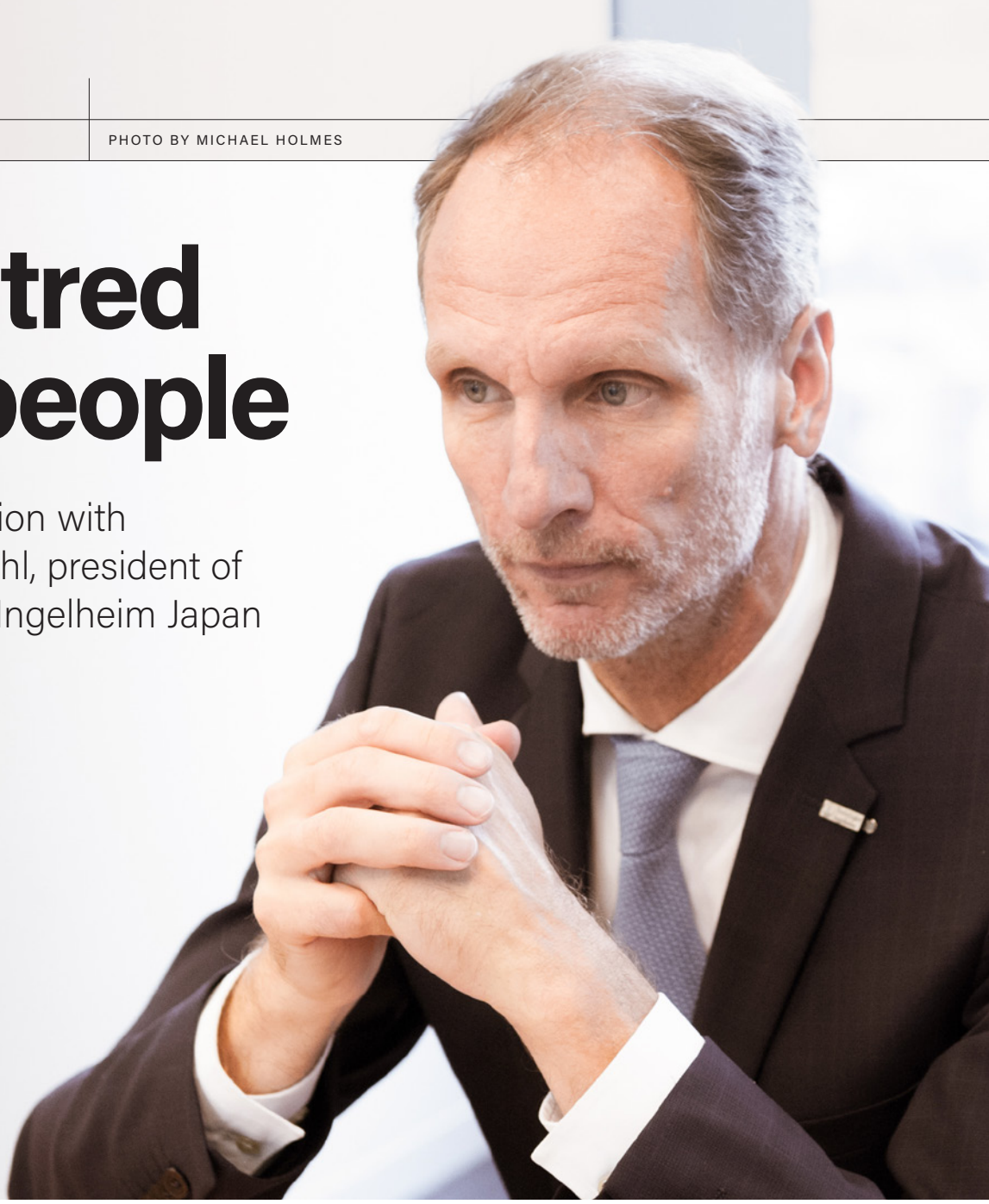
Nuclear energy
The Nuclear Regulatory Authority should continue to raise the level of safety of nuclear energy.

TEXT BY GAVIN BLAIR

PHOTO BY MICHAEL HOLMES

Centred on people

A conversation with Thorsten Pöhl, president of Boehringer Ingelheim Japan



Founded in 1885 in Ingelheim, a small town on the Rhine River where it remains headquartered, family-owned pharma company Boehringer Ingelheim now has more than 47,000 employees at 145 affiliates around the globe. The fourth generation of the founding family is now at the helm of the firm.

The human-centric corporate culture instilled by the founder — who used to make sure staff took proper vacations by getting them to send postcards from their destinations — remains in place today, according to Thorsten Pöhl, the recently-arrived president of Boehringer Ingelheim Japan.

Pöhl has been with Boehringer Ingelheim for 24 years, starting at headquarters in Germany, and with postings to South America, Norway, the US, and most recently, Spain. "It is one of the traits of our company — people like it and stay," he states.

Although he arrived in Tokyo this spring, Pöhl first acquired a taste for Japanese culture in São Paolo 22 years ago, even taking language lessons from a member of the large Japanese-Brazilian community there.

"I suggested to the company that my next step should be Japan, but my request was denied," says Pöhl. "Now an old wish has come true."

Despite having to wait more than two decades for his wish to be granted, Pöhl remains an unapologetic evangelist for the company and the work it does.

"Our values are entirely family values: respect, trust, empathy and passion. You don't find sales, profits or things like that," Pöhl explains. "That makes it very different to other companies. I think this would be different if we were stock market-driven."

If this wasn't enough, Pöhl believes that his work is extremely rewarding. "I feel that I do something with meaning — helping patients to improve their health and quality of life," he says.

"I feel that I do something with meaning — helping patients to improve their health and quality of life"

Eschewing the multibillion-dollar M&A deals that have characterised the industry in recent decades, Boehringer Ingelheim has relied almost entirely on organic growth to remain one of the top 20 global pharma firms.

Boehringer Ingelheim's strengths lie in pharmaceuticals, biopharmaceuticals and animal health. In June last year it struck an asset-swap deal with Sanofi, under which the French pharma giant acquired Boehringer Ingelheim's consumer health division, while Boehringer Ingelheim took over Sanofi's Merial animal health operations.

Pöhl describes the deal as, "a nice strategic fit," which created two market leaders out of four mid-sized companies.

Research and innovation are crucial in the pharma sector. Boehringer Ingelheim's long-term approach — facilitated by the absence of shareholders demanding quarterly bottom line improvements — is to invest 20% of its turnover in R&D, significantly above the industry average of 12%.

"We invest heavily in Japan. We are the only multinational pharma company that is doing research in Japan," states Pöhl. "We have a research centre in Kobe."

Japan is a key research centre for the company, along with Germany, Austria and the US.

"Our research is done globally through cooperation between different laboratories," explains Pöhl. "In Japan, we focus on formulations, the best way to deliver a medicine — tablets, injections, powders, etc. — as we are strong in that area here."

With a presence in Japan since 1961, Boehringer Ingelheim has a total of 3,000 staff members, along with production plants in Narita City and Yamagata Prefecture, mainly for the domestic market.

The issue of generic medicines has become a hot topic in the industry and the world of politics in recent years. Pharma companies insist they need the pay-off from extended patent protection to fund future research (and pay for the R&D carried out on current medicines), while campaigners accuse the industry of keeping potentially life-saving drugs out of the reach of people without the means to pay top dollar.

"We support the idea that generics take over at the end of the life cycle of innovative drugs," says Pöhl. "We appreciate the fact that governments honour innovation, and we know they have to pay for medical care.

"We understand that innovation has its price and needs to be paid for, but we are willing, at the end of the patent period, to give up on these products and understand they should be delivered by generic companies," he continues. "It's part of our business model and we accept it."

An example of Boehringer Ingelheim's innovation is the anticoagulant Prazaxa and its complementary Prizbind, for use in rare emergency situations such as surgery and when bleeding is life-threatening.

Prazaxa, already approved in Japan, was "the first new, innovative anticoagulation therapy in 50 years to help prevent strokes," according to Pöhl. The treatment thins the blood, which can be problematic if a patient suddenly needs surgery, as it makes bleeding harder to stop. In response, Boehringer Ingelheim developed Prizbind — an agent that reverses the effects of the anticoagulant — which Pöhl says, "is effective in seconds, allowing people to have emergency surgery if necessary."

Prizbind has just gone through approval procedures in Japan and will be brought to the market soon. Boehringer Ingelheim also received Japanese approval for Jardiance, an oral anti-diabetic drug that significantly reduces cardiovascular risk, last year.

"The situation for approval has improved significantly for pharmaceuticals," Pöhl observes. "Innovation is honoured and approval times have been reduced dramatically. In many cases, we are getting approved here at the same time as the rest of the world. Once approval is given, patients in Japan are getting access very quickly."

Pöhl believes Japan's demographics have been a major driver in speeding up the approval process, long a complaint of international pharma operating in the country.

"The super-ageing society needs innovation, though it's a challenge for the government to pay for all that," says Pöhl. "I'm impressed how well the planning for the ageing society is being done in Japan." ●

Benefits of sending Japanese employees overseas at an early stage of their career

September FEM event report

FORUM FOR EXPATRIATE MANAGEMENT

Along with a rise in Japanese foreign direct investments, the number of Japanese expatriates has reached an unprecedented level over the past decade.

Facing a number of challenges at their foreign subsidiaries, Japanese headquarters have considered expatriates as the means to ensure proper coordination between the subsidiary and the head office, and timely transfer of information, while also investing in their assignees' professional development.

On 15 September, the 4th edition of The Forum for Expatriate Management took place, led by Milena Osika of UniGroup Worldwide and Sterling Japan.

On this occasion, 20 human resource professionals gathered to exchange ideas and learn more about human resource strategy in the context of native Japanese employees' expatriation programmes.

Shiraki Mitsuhide, PhD, shared his most up-to-date research and his vision about Japanese nationals' expatriation. He is a professor of Political Science and Economics, president of the Transnational Institute for HRM in Japan, and president of the Japan Academy of International Business Studies.

Professor Mitsuhide conducted a survey from 2008 to 2010 on expatriates and local employees of Japanese subsidiaries in China and in ASEAN member states. Based on answers from the 880 respondents, five major common characteristics were found in successful Japanese nationals' assignments:

1 **Satisfaction, performance and skills adoption are more likely to develop at a high speed after the 3rd year of an assignment.**

2 Those who are fast decision-makers, effective at completing tasks, and who can deal with problems rapidly are the most likely to succeed.

3 **Training opportunities at foreign subsidiaries are essential for helping employees to demonstrate and maintain leadership qualities.**

4 Those who prove to be flexible and have empathy toward others are the most likely to be accepted by local employees.

5 **A willingness to adapt to the local society through understanding customs and culture, and enthusiastic study of the local language has a positive influence on a transferee's integration.**

However, when the respondents were asked to rate Japanese management capabilities and how they compare with local management skills, the survey results showed that none of the ratings, in any area, given to Japanese management exceeded those for middle- and top-management skills of local managers. Fortunately, the arrival of a new generation of Japanese expatriates will start changing that.

In August 2016, the Waseda University Institute for Transnational Human Resource Management completed research on the career and development of young Japanese expatriates. A survey was conducted on expatriates in their early thirties in relation to their direct supervisors.

Of the 302 respondents, 40% strongly desired to take on the assignment before leaving Japan. And unlike their older counterparts, those in their thirties showed a capacity to understand different cultures, and expand their networks to include locals, while also demonstrating stronger negotiation skills.

Expatriates who answered the survey are still completing their assignments, so the study is ongoing and will be completed within the next few years.

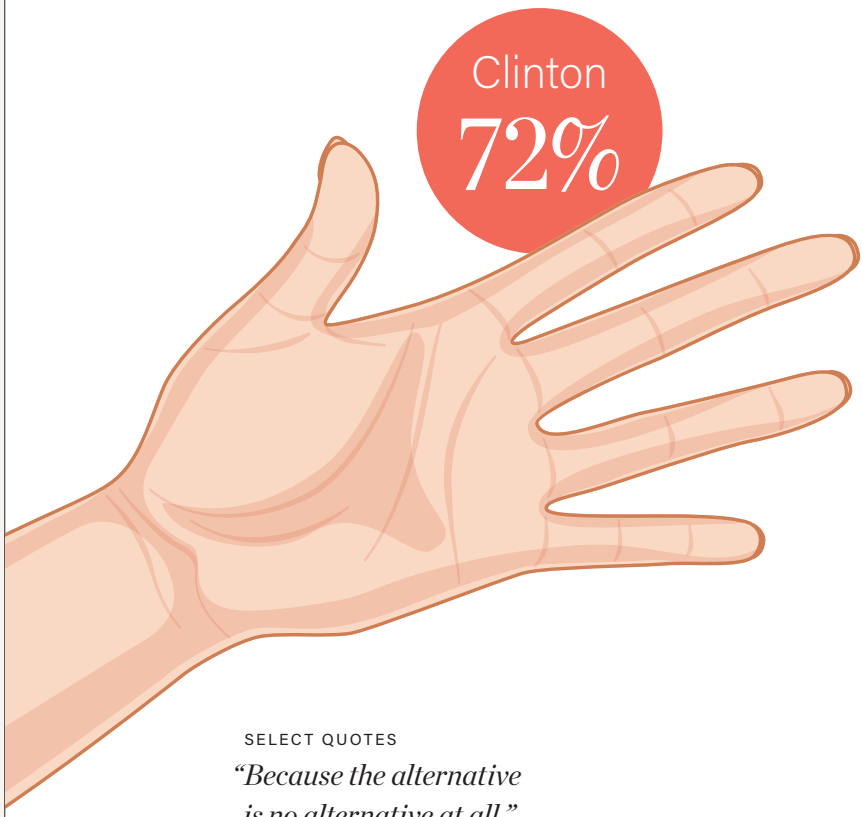
The event was sponsored by Sterling Japan, a major moving and relocation company.

UniGroup Relocation℠ STERLING

For any questions or information about FEM Chapters, feel free to reach out to Marianne Aronsen at **marianne.aronsen@centaurmedia.com**

On Tuesday, November 8th, 2016, the American public will go to the polls to vote for their next leader. The outcome of the election will undoubtedly have an effect on the future of world politics.

Who do you think will be elected as the next American President — Hillary Clinton or Donald Trump?



SELECT QUOTES

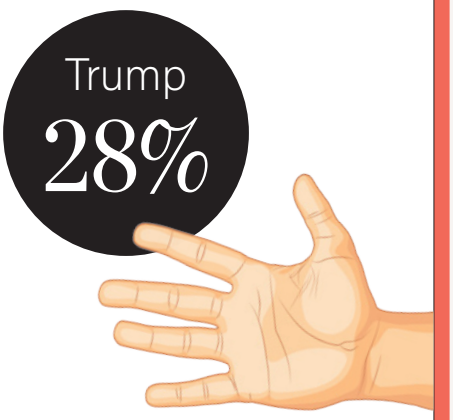
"Because the alternative is no alternative at all."

"Clinton. But never underestimate America's capacity to defy reason."

SELECT QUOTES

"Trump represents a lightning rod for anger. I think many will opt for him just to upset the status quo."

"Horrifyingly, I think there may be enough secret Trumpers to swing it for The Donald."



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

ROBERT WALTERS JAPAN

PERMANENT & TEMPORARY RECRUITMENT

Companies staffing for the constantly changing marketplace demand adaptable business partners like Robert Walters. Since 1985, the Group has offered permanent and temporary recruitment options across all industries and levels of seniority. For a recruitment firm that caters to your company's unique bilingual hiring needs, speak to one of our consultants specialising in your industry sector or visit our webpage at **www.robertwalters.co.jp**

Tokyo (03) 4570 1500
Osaka (06) 4560 3100
info@robertwalters.co.jp

ROBERT WALTERS

TEXT AND PHOTO BY ANDREW HOWITT

In harmony with the local

Architect Kengo Kuma and the Tokyo 2020 Olympic Stadium

Architect Kengo Kuma has garnered an international reputation with his designs of iconic buildings throughout Japan — including Kabuki-za in Ginza and the Culture and Tourism Center in Asakusa — as well as in China and several European countries. Since being awarded the contract for the National Olympic Stadium for the 2020 Tokyo Olympic and Paralympic Games, he has been gaining even more notoriety.

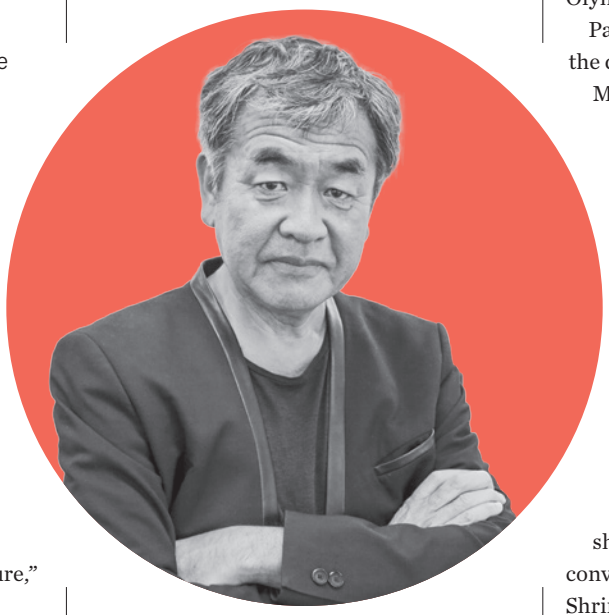
Kuma's philosophy of architecture is rooted in tradition, nature and craftsmanship, and this informs every one of his projects.

"In the 20th century, concrete destroyed everything. The goal of my practice is to go back to the 19th century — to before the 19th century — when people respected nature," he said in a talk given to the Italian Chamber of Commerce in Japan in June. "What I'd like to achieve is architecture with local materials, as much as is possible; architecture by local craftsmen; architecture which melts into the landscape."

Everything that he designs follows these guiding principles. The Nakagawa-machi Bato Hiroshige Museum of Art in Tochigi, for example, was built largely using natural materials. Wood for the project came from the forest on neighbouring Satoyama mountain and stone from a nearby quarry, "so the building is part of nature."

Using wood is very important to Kuma; so this material is also a major feature of his design for the Olympic stadium.

"Wood gives a softness to buildings," he said. "For the interior of the stadium, we proposed to use as much wood as we possibly could, [even though] it is not easy to use wood for a structure as big as this."



After his design for the 198,500m² stadium — with seating for 68,089 people — was announced as the winner on December 22nd of last year, Kuma's office received a large number of letters from people saying that they wanted to donate wood from their property for the project.

"I was so surprised," Kuma said. "If the building was only made of concrete, such a thing would never have happened ... Wood is a medium [connecting] humans and nature."

Kuma also addressed the widely publicised concern that the Olympic flame could not be brought inside the predominantly wooden stadium.

"It is not true," he insisted. "Even for wooden structures, if there is enough distance, we can bring the cauldron into the interior. We haven't decided on the position of the cauldron yet because [we need to discuss it with] the producers of the opening ceremony of the Olympics."

Part of his inspiration for the design came from Tokyo's Meiji Shrine, which is next to where the stadium will be built.

"My strategy for this building is to create shadows," Kuma explained. "The Meiji Shrine has a series of eaves which create shadows. A vertical wall and humans can't have communication; but if we have eaves and shadows, we can have a conversation, like at the Meiji Shrine building."

Kuma stressed the fact that the stadium grounds would be not just be for the athletes; they would be open daily for the public to enjoy.

"The idea is that this is not a building — this is a park in the forest with a creek and a sky walk," Kuma said. "In the 21st century, I think the stadium should disappear — it should be part of the park and part of the environment. It needs to have this kind of natural element."

THE SALES JAPAN SERIES

How to Prepare Properly For Client Meetings

BY DR. GREG STORY
PRESIDENT, DALE CARNEGIE TRAINING JAPAN

動かす

DALE CARNEGIE® TRAINING
Igniting Workplace Enthusiasm

Salespeople are very busy, rushing around finding new clients, developing leads, networking, cold calling, attending client meetings, getting stuck into preparing proposals and later executing the follow through on what has been promised. Somewhere in this process some key basics start to go missing. One of those basics is the proper preparation for client meetings.

This is rather ironic because we salespeople have never had it so good. In this modern age we have so much information available to us just a few clicks away. Listed client companies very conveniently include their financial details, strategies, corporate officer information, etc., in their annual reports on their web sites.

Invariably, we will see a modern besuited business Titan posing in the corporate corner office. In addition to the PR division's photographic efforts, there will be a substantial article or interview with the CEO, outlining the way forward for the company. The key organisation goals and milestones are on display for all to see.

A few minutes finding this information and reading it will give the salesperson a very clear idea of the key business drivers for the company's strategy. The financial section will also tell us how the entity is tracking against it's declared goals. It may even get down to a breakdown at the divisional or country level, which is pure gold to someone about to meet a decision-maker from that firm.

Being able to tie what you sell to the goals they have set for themselves instantly makes the context relevant and places the discussion on the right basis. Talking about your contribution to their ROI is of great interest to someone in that company, who has responsibility to deliver the goals established by senior management. So rather than talking about what you want – to sell something – the discussion is better focused around how you can help them achieve their goals.

How many salespeople, though, bother to do this prior to calling on the client? Not enough! If we turn up to their office and say, "Tell me about your business?", this speaks volumes about our lack of research on the company beforehand. It would be much better to ask a question that relates to the goals which have been set within the company. We should be looking for some context where we can show how helpful we can be, in solving their local issues preventing them from satisfying their corporate goals.

Apart from the firm, there are the individuals we will meet from the company. They will probably have a Google, Yahoo, Facebook, Linkedln, Twitter, Instagram, YouTube presence. A quick search on their name will turn up useful background information which may allow us to draw out some connections we share in common. If you both studied at the same university or previously both worked in the same industry or lived in the same location (state or town) or have the same hobbies, these are speedy connectors between two total strangers.

In sales, we need our buyers to know, like and trust us. The like and trust parts are the difficult bits, especially at the initial stages of the relationship. Sharing things in common are a great way to quickly establish credibility and a relationship. Let's take my example. I am from Queensland, grew up in Brisbane, I support the Brisbane Broncos rugby team, went to Griffith University, I practice martial arts (karate). There are a wealth of speedy connectors right there. You can find all of this out about me in about five minutes. Start our meeting by saying what a great result the Origin Series was and you and I are off to a great start!

It is the same for most people we meet, if we bother to invest the time to find out the key details. Salespeople though are not doing a good enough job to use the tools at our command. It is crazy when you think about it. Trying to build a connection and establish a positive first impression has to be every salesperson's goal when meeting new client for the first time.

Yes there are unlisted companies and yes, not so many Japanese business people use LinkedIn as yet. However, there are plenty of companies, though, who are listed and plenty of Japanese people on Facebook etc., so we should make the effort to do our homework on the client before we meet. In this internet age there really are no excuses.

> "In sales, we need our buyers to know, like and trust us."

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

Gleneagles Resort, Scotland

Where James Bond learned to play golf

CORNFIELD / SHUTTERSTOCK.COM

If you're looking for historic golf or stunning courses in Scotland, you really don't have to look very far. Golf was born in Scotland and still boasts some of the finest, not to mention idiosyncratic, courses in the world. Scotland's more famous courses — St Andrew's, Turnberry, Carnoustie, Muirfield — are all severe tests of your game built near the sea and challenging for even the best golfers, but its finest resort is hidden inland among the Perthshire glens. What Gleneagles may lack in coastal links, it more than makes up for in sheer class.

And Gleneagles is not without its own history. The late King Hussein of Jordan honeymooned there with Queen Noor; Sean Connery learned to play golf there for James Bond's famous game in the movie *Goldfinger*; the Scottish Open was first held at Gleneagles; and the competition that evolved into the Ryder Cup started there, returning in 2014 in all its modern-day glory.

The resort's three courses — The King's Course, The Queen's Course and The PGA Centenary Course — are complemented by an array of non-golf activities and one of the finest hotels in Britain, designed as a palace but curiously owned for much of the 20th century by British Rail (Margaret Thatcher's first piece of business as prime minister was to sell it). The Queen's Course opened in 1917; the King's Course in 1919; and The PGA Course, designed by Jack Nicklaus, in 1993.

After playing The King's Course for the first time, former Open champion Lee Trevino declared: "If heaven is as good as this, I sure hope they have some tee times left."

Only a Scottish course will boggle your mind like this one. On the 3rd hole, you have to hit blind over what the caddies call "a mound", but which is closer to a mountain range. In a bunker, the sky will disappear from view; vertigo will hit you.

It's a beautiful test of a golfer's mental resilience.

The Queen's Course is short (less than 6,000 yards), but the Scottish countryside and its unique hazards — mainly gorse — are sure to overwhelm you. This is what the course guide had to say about the par-3 17th hole: "There is no escape unless you hit the green. No fairway exists and the ground slopes steeply to the right. The putting is difficult, with hills and hollows all over the green."

The PGA Course hosted the 2014 Ryder Cup. It has been described as an American course in the Scottish countryside, but that's both a facile and inaccurate description. It's a glorious championship course that rolls through Perthshire countryside described by Nicklaus as "the finest parcel of land in the world I have ever been given to work with."

Nicklaus named the par-3 4th "Gowden Beastie" — Scottish for Golden Bear, his nickname. It would still be a beastie by any other name.

Three stunning courses, a glorious hotel with Scotland's only restaurant with two Michelin stars, a spa, and enough non-golf activities to keep you busy for months, the Gleneagles resort is just one of those rare places that delivers on all its promises. ●

> "If heaven is as good as this, I sure hope they have some tee times left."

LACE UP FOR THE CURE

newbalance.co.jp

ニューバランスは、乳がんの早期発見を啓発する「ピンクリボン活動」をサポート。毎年秋に東京・
日比谷公園で行われるラン＆ウォークイベント「Run for the Cure®/Walk for Life」に
協力するほか、ピンクリボン対象シューズを発売して売上の一部をNPO法人
Run for the Cure Foundationに提供しています※。
乳がんの正しい知識を広め、早期発見・早期診断・早期治療をアピールすること。
皆さまの健康を願うスポーツブランドとして誇りをもって「ピンクリボン活動」を応援しています。
※2015年度は、NPO法人Run for the Cure Foundationに7,460,363円の寄付を行いました。

ALWAYS IN BETA

new balance

TEXT BY ALLISON BETTIN

Viva il vino

An introduction to winemaking in Italy's Northeast

With thousands of native grape varietals and a viticultural history dating back to the Roman Empire, Italy's wine scene is tough to break into. Most stick to the tried-and-true favourites — Chianti and Prosecco appearing at the top of the list. But with vines planted in nearly every crevice of the idyllic Mediterranean countryside, there are infinite regions to explore.

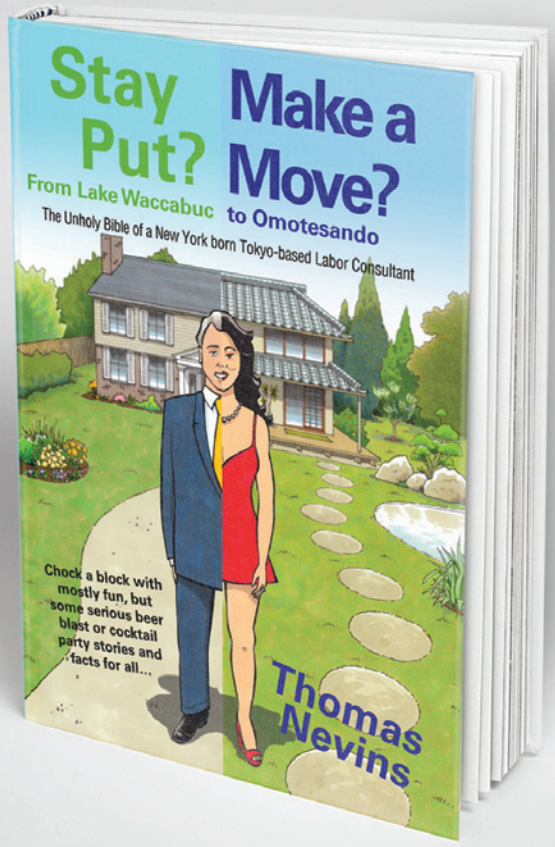
Just north of Verona, in Italy's far north-eastern tip, lie the rolling vineyards of Valpolicella, a region made internationally famous for its rich, sumptuous Amarone wines. Knowledge of the area, however, for the most part, stops there. What most don't know is that Valpolicella provides a glimpse into past centuries of winemaking techniques, still alive and well today thanks to its delicious red wines.

Centuries ago, winemakers from all over the world developed unique methods to better preserve wine for export on long sea voyages. Usually this meant augmenting wine's natural preservatives, tannin and alcohol. In Italy, and especially in Valpolicella, winemakers began drying red grapes on straw mats after harvest, raisining the grapes in a process called *appassimento*. Similar to Germany's dessert wines affected by Noble Rot, *appassimento* was meant to concentrate the sugars, creating the perfect ingredient for a rich dessert red called Recioto.

With the popularity of Recioto della Valpolicella, certain experimental winemakers began to explore the possibility of a dry wine made from these raisined grapes. By eliminating the residual sugar found in Recioto and fermenting the wine to complete dryness, Amarone red wine was born. Italians first viewed it as a bastard child, a vinicultural mistake. But its sumptuous notes of chocolate and cherry — and rich, high alcohol content — proved too seductive. In the latter half of the 20th century, as exports began to rise, Amarone became one of Italy's great reds.

What's so intriguing about Valpolicella as a region is the spectrum of wines it produces using just three grapes — Corvina, Rondinella and Molinara — all with varying degrees of *appassimento*. Wines labelled Valpolicella are from grapes freshly picked off the vine and fermented to complete dryness, as any normal red is. These wines can evoke similar notes to those of Beaujolais — tart cherry and light spice. Valpolicella Classico, from a sub-region with historical vineyards that lie on hillsides, are typically richer and fuller bodied. Moving up toward the fuller wines comes Ripasso, somewhere between an Amarone and a Valpolicella. To produce Ripasso, vintners ferment Valpolicella to dryness as usual, and in the winter add the dried grape skins, left over from the Amarone production, to the Valpolicella vats. This augments the wine's pigment, tannin, flavour, and alcohol content. For the perfect Italian dinner party, compare Valpolicella, Valpolicella Classico, Ripasso, Amarone, and Recioto. You're sure to find the taste that best suits your palate and finds favour with your guests.

Hundreds of stories, facts, and things worth remembering



Whether a pop culture or film buff, a nature buff, a history buff, or in the buff, you'll like *Stay Put? Make a Move?*

This book is totally different from Tom's 'Labor Pains' type books for *The Japan Times*. It covers more ground than the area just north of New York City — his life in high school, at Cornell, his travels, and life in Tokyo where he has long worked at labour consulting.

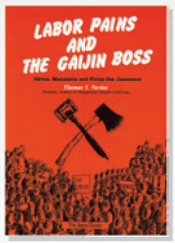
Cornell stories such as Tom on duty when The Blacks, holding their guns as they were on the cover of *Newsweek*, took over the Student Union building. Or his Phi Gamma Delta fraternity brother Tony Biddle — scion of Anthony Biddle who fought with President Andrew Jackson over banking — got Tom to be a cheerleader for classmate, and future superstar and actor, Ed Marinaro's football team.

Included also are Japan stories such as an unknown one about the Aum Shinrikyo cult attempting to launch a sarin gas attack against the Emperor from an apartment facing the Imperial Palace that Tom had only recently vacated.

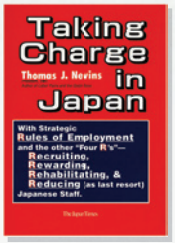
A video trailer for the book, as well as detailed content, and a picture gallery can be found at www.thomasnevins.co.uk

Free, fast worldwide delivery from **www.bookdepository.com**

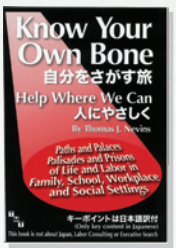
Other books available from TMT Inc.:



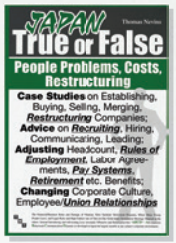
Japan Times
1984



Japan Times
1990



2004



2004

2011

For more details, visit **www.tmt-aba.com**

Martin Fluck

Company: Oakwood Asia Pacific
Official title: Director of Operations, North Asia
Nationality: Swiss
Length of time in Japan: I was born in Kobe. When added up, I have been in Japan for 32 years

Hungry? Where do you like to go for a bite?
I love Japanese cuisine and especially "my" Yakitori place in Roppongi.

What do you do to stay in shape?
I regularly play squash which keeps me fit.

Name a favourite movie:
Bourne Supremacy
Favourite musician or group:
Coldplay
Favourite album:
Coldplay's *A Head Full of Dreams*
Favourite TV show:
24
Favourite book:
Guns, Germs, and Steel by Jared Diamond

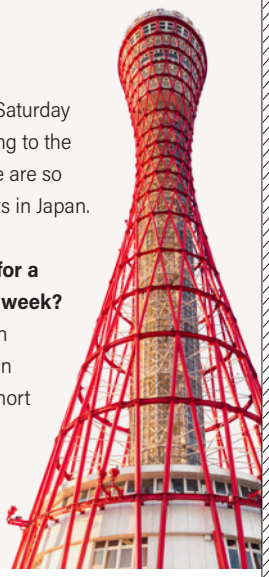
What's something a lot of people don't know about you?
I was born in Kobe and lived there for the first 10 years of my life.

Cats or dogs?
Dogs for sure.

Summer or winter?
I prefer the winter. The weather is cold but dry, with clear blue skies.

What's your ideal weekend?
Playing squash on Saturday and Sunday. Or going to the countryside — there are so many beautiful spots in Japan.

Where do you go for a drink after a busy week?
The bar at the Union Square Restaurant in Tokyo Midtown, a short distance from work.

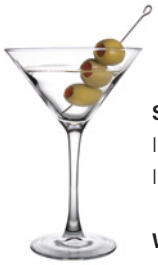


Timothy Connor

Company: Newport Ltd.
Official title: Director, Marketing Services Group and Corporate Development
Originally from: Minneapolis, USA
Length of time in Japan: 30+ years

Hungry? Where do you like to go for a bite?
I live in Setagaya, and there are many small bistros nearby run by really talented Japanese owner/chefs who trained in France. Foodie heaven!

What do you do to stay in shape?
I'm pretty active everyday with running, cycling, weight training, yoga and Pilates.



Name a favourite movie:
Any James Bond movie. Any one.
Favourite musician:
I am very partial to Leonard Cohen.
Favourite album:
Ah, *The Best of Leonard Cohen*.
Favourite TV show:
I have not watched TV for more years than I can remember, honestly.

Favourite book:
Emotional Intelligence by Daniel Goleman or *The Stranger* by Albert Camus

What's something a lot of people don't know about you?
I went to design school in Tokyo and was a fashion designer for several years before getting my MBA.

Cats or dogs?
Dogs! My Rainey kept me smiling for nearly 15 years.

Summer or winter?
I grew up in snow country, but now I am very much a summer person.

What's your ideal weekend?
A weekend at the beach with great restaurants nearby.

Where do you go for a drink after a busy week?
Home. I love to sit out in my garden with a cold beer on a Friday evening.

RELO JAPAN

Making any move to Japan a smooth and memorable experience, Relo Japan is More Than Destination Services.

WWW.RELOJAPAN.COM

Relo Japan is a part of the H&R Group

H&R GROUP
More Than Relocation

Real Estate
www.JapanHomeSearch.com

Serviced Apartments
www.JapanResidence.com

Driver's License Conversion
www.JapanDriversLicense.com

Car and Furniture Leasing Insurance Assistance
www.LeaseJapan.com

Relocation
www.ReloJapan.com

Foreign Temp Staffing
www.MoreThanRelo.com

Tokyo Office T 03-5449-7220 Nagoya Office T 052-973-3973 Kobe (Osaka) Office T 078-242-3760 InfoRequest@ReloJapan.com

The Agenda

OCT 14

AUSTRIAN BUSINESS COUNCIL

The Kunsthistorisches Museum Vienna

TIME: 08:00–10:00
VENUE: ANA InterContinental Tokyo, B1, Prism Room
FEE*: ¥3,500 (members), ¥4,500 (non-members)
CONTACT: tokio@advantageaustria.org
* Includes continental breakfast

NOV 11

FINNISH AND SWEDISH CHAMBERS EVENT

Stora Enso Cup: The Sweden – Finland Golf Challenge

TIME: 08:00–18:00
VENUE: Golf Club Narita Hightree, Chiba Prefecture
FEE: ¥16,000 (all included)
CONTACT: fccj@gol.com

OCT 14

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

SCCIJ Kansai Event

TIME: from 14:00
VENUE: Kunijima Water Purification Plant
FEE: ¥8,000 (members), ¥9,000 (non-members)
CONTACT: info@sccjij.jp

NOV 11

BRITISH CHAMBER OF COMMERCE IN JAPAN

2016 British Business Awards

TIME: 18:30–22:30
VENUE: Hilton Tokyo, 4F, Kiku Room
FEE: ¥28,000 (members and non-members)
CONTACT: info@bccjapan.com

OCT 17

BELGIAN-LUXEMBOURG CHAMBER OF COMMERCE IN JAPAN

Monthly Beer Gathering

TIME: 19:00–22:00
VENUE: Belgian beer café in Tokyo
FEE: Pay for what you drink
CONTACT: info@blccj.or.jp

NOV 14

ITALIAN CHAMBER OF COMMERCE IN JAPAN

Gran Concorso di Cucina Contest

TIME: 10:00–14:00
VENUE: Tokyo Gas Studio, NBF Komodio Shiodome, 2F
CONTACT: events@iccj.or.jp

NOV 1

FINNISH CHAMBER OF COMMERCE IN JAPAN

Nordic Luncheon: Karl-Henrik Sundström

TIME: 12:00–14:00
VENUE: Grand Hyatt Tokyo, 2F, Residence Anise
FEE: ¥6,000 (members), ¥8,000 (non-members)
CONTACT: fccj@gol.com

NOV 17

SWISS CHAMBER OF COMMERCE AND INDUSTRY IN JAPAN

Luncheon: Peter Kaemmerer, President, DKSH

TIME: 12:00–14:00
VENUE: Grand Hyatt Tokyo
FEE: ¥6,500 (members & non-members)
CONTACT: info@sccij.jp

NOV 4

BELGIAN-LUXEMBOURG CHAMBER OF COMMERCE IN JAPAN

Annual Gala Night

TIME: 18:30–23:00
VENUE: Conrad Tokyo, Kazanami Room
FEE: to be confirmed
CONTACT: info@blccj.or.jp

NOV 21

ITALIAN CHAMBER OF COMMERCE IN JAPAN

Tasting event for wine-sector operators

TIME: 10:30–17:30
VENUE: Happo-en, Grace and Chat rooms
FEE: free entrance (registration required)
CONTACT: analyst@iccj.or.jp

TEXT BY ANDREW HOWITT | PHOTO BY KAGEAKI SMITH

Roberto Pleitavino

President of Zwiesel Japan

Zwiesel Kristallglas AG — with a history of over 140 years — is a leading German manufacturer of fine crystal wine glasses, exported to 120 countries, supplying luxury hotels, airlines and cruise ships. Its products are sold in the finest department stores and interior design shops.

"Zwiesel has always been an innovative pioneer in design and the development of new materials, such as lead-free crystal," says Roberto Pleitavino, President of Zwiesel Japan. "We recently introduced an incredibly thin and light hand-made wine glass collection named AIR SENSE."

This latest collection of wine glasses was developed in collaboration with the Swedish design duo of Bernadotte & Kylberg.

LIXIL linked

With over 80,000 employees in 62 countries LIXIL needed a way to communicate with their people, and they needed it fast. Paradigm planned, designed, programmed, project managed and launched LIXIL LINK in just 90 days.

Since then we have also built a global brand asset web application that is tightly integrated with LIXIL LINK.

Full service digital creative

Project scope

Prototyping/wireframing,
web app UX/UI design, graphic design,
global web infrastructure programming,
CDN server architecture engineering

Paradigm

paradigm.co.jp

Mastering every situation.

ZEISS Batis Lenses

// INSPIRATION
MADE BY ZEISS

ZEISS Batis 2.8/18, 2/25 and 1.8/85
A new era of mirrorless photography.

No matter if manually or auto focused – the ZEISS Batis lenses for mirrorless full-frame system cameras from Sony take professional photography to the next level. The lens family assures outstanding image quality, innovative design and its OLED display perfectly adjusts the depth of field.

Batis product page
http://www.zeiss.co.jp/camera-lenses/ja_jp/camera_lenses/batis/batis2818.html

Carl Zeiss Co.,Ltd.
www.zeiss.co.jp/photo

ZEISS