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Required reading -

EBC Japan 2012
White Paper: Delivering
Trade Potential

Compliance brief -

Q&A with international
transactions expert
Takahiro Nonaka

Counting carbon -

New standards
guide the environment-
friendly corporation

In self-defence -

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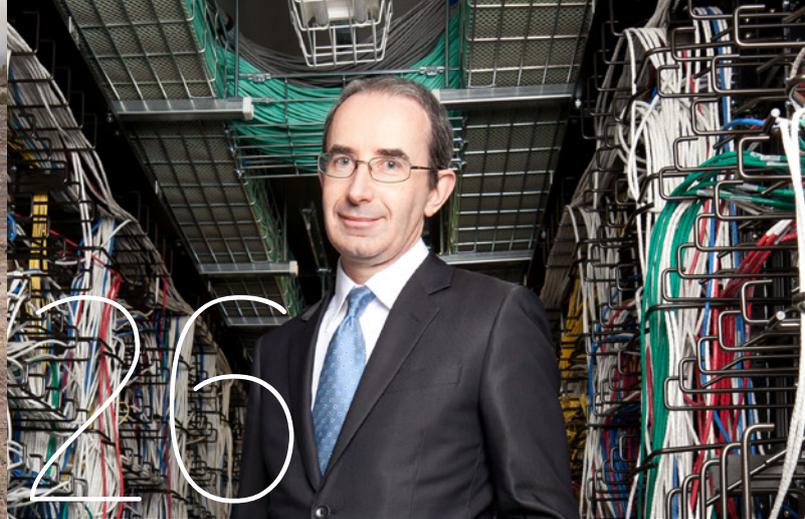
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European Business Council in Japan (EBC)
The European (EU) Chamber of Commerce in Japan

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

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

Contributors



Geoff Botting explains
the 2012 EBC White
Paper, page 8

Geoff is a Canadian former newspaper and wire service reporter and copy-editor who now works freelance, mainly writing about business, travel and social issues. He regularly files In Committee reports for

EURObiz Japan, thus bringing to the White Paper report a broad understanding of the issues and a strong rapport with their advocates.

"In physical appearance, the EBC 2012 White Paper looks pretty much like its predecessors: a white jacketed booklet of around 100 pages.

"What really sets it apart is timing, as it is released just as the EU and Japan prepare to start negotiations for a free trade agreement. This White Paper may be the most important one ever."

Alena underwent business training in Tokyo on the Executive Training Programme (ETP), then began to write about business, culture, travel and people in Japan. A researcher at heart and by profession, she enjoys on-the-ground investigation and observation. She contributes articles to magazines and websites in Japan and in Europe.

"The energy, transportation and housing sectors are the usual greenhouse gas-emission suspects, but the enemy is also found closer to home.

Measuring the carbon footprints of



Alena Eckelmann is
tracking corporate
carbon footprints,
page 18

consumer products, and applying strategies to reduce them, can lead to more sustainable consumption patterns and more sustainable production, and even to business growth."



Rob Goss talks
corporate compliance
with Takahiro Nonaka,
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Rob has lived in Japan for more than a decade and writes on a range of topics, from travel and culture to business and sustainability. His work appears

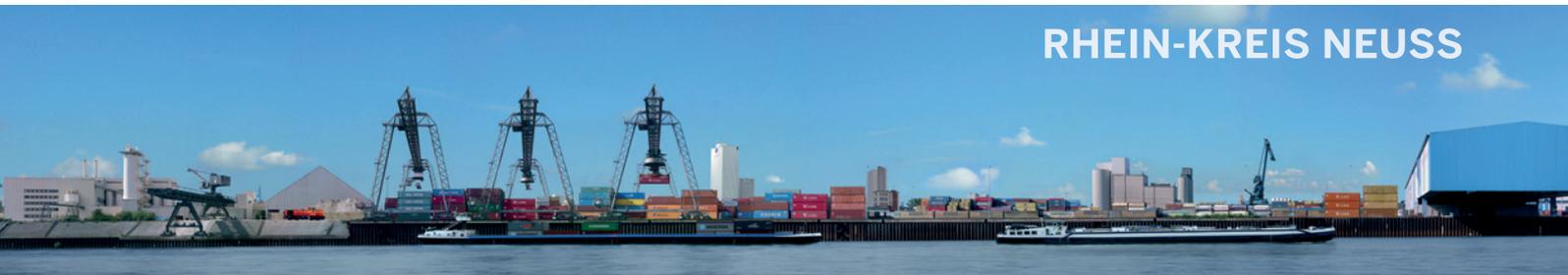
in magazines such as *Time*, *National Geographic Traveler* and many other publications around the globe. He has also authored and edited Japan guidebooks for *Tuttle Publishing* and *Insight Guides*.

"Discussing compliance issues and the nature of Japan's legal system would ordinarily have me reaching for aspirin or hard liquor, so it was very refreshing to talk to someone like Nonaka who could clearly explain the numerous grey areas and subtleties of these issues."



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Reward for effort

Just over a year ago, outgoing EBC chairman Tommy Kullberg handed me a copy of the EBC 2010 White Paper and told me to read the spots off it. I didn't do it right away, but I got the message. The white paper is important. It is the single document that crystallises the advocacy position of the EBC. It is the reference for Japanese and European business people, government officials, politicians, academics and journalists who need to know what the EBC and its committees are all about.

There was no 2011 White Paper as such because the work done on presenting the EBC's position was expanded into a scoping exercise, with the aim of feeding a digital compendium of information directly into preparations for negotiations for an EU-Japan free trade agreement.

Now the White Paper is back in its regular format. With the impetus now behind significant change, it is at least as important as ever. We had

no hesitation in asking Geoff Botting, our reliable regular "In Committee" contributor, to examine the document, talk to its contributors and backers, and explain the key points.

In years to come, we will look back on 29 November 2012 as the day the European Commission, with the backing of all EU member states, passed a mandate to start trade negotiations with Japan. Congratulations are due to all EBC members who had a role in making this happen, by working through active committees to provide lucid information on conditions faced by specific industries.

There is, of course, plenty of scepticism regarding how productive these negotiations might be. However, make no mistake: Japan's business and government leaders are serious about wanting to stimulate trade in goods and services.

Announcing the mandate, EU Trade commissioner Karel De Gucht noted

that Japan had already demonstrated its commitment by removing several non-tariff barriers in the previous months. At the same time, he emphasised that the EU is going into negotiations with its eyes wide open, and keenly aware of the opt-out clause if progress is unsatisfactory.

Optimism is warranted. There is deep awareness in Japan that change must come, and that free exchange of goods, services, capital, ideas and people is a mechanism for that change. Japan, also, no longer negotiates from a position of invulnerability.

The great work of the EBC committees can therefore only increase, because the effort is likely to be rewarded. 

David C Hulme
Editor-in-Chief

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Required reading

The EBC's 2012 White Paper: Delivering Trade Potential

Text **GEOFF BOTTING**

It's back. The annual EBC White Paper has made its return after skipping a year. Titled *Delivering Trade Potential*, the 2012 White Paper "is the document that basically highlights all of the key issues faced by the 30 committees of the EBC," says EBC chairman Duco Delgorge.

While the new report differs little in terms of content from its recent predecessors, Delgorge notes that it comes at a "turning point" in the history of the EBC – the start of negotiations for a free trade agreement or economic partnership agreement (FTA/EPA) between the EU and Japan. On 29 November, the European Council in Brussels issued a mandate to launch the talks. The EBC hopes that agreement will eventually resolve many of the trade barriers – including the most stubborn ones – that have for too long prevented the two sides from trading at levels that reflect the true potential of their relationship.

"We're 40 years old. That's 40 years of effectively going through the same process, year in and year out. In some ways it has been a painful progress for a lot of people, who have put in a lot of time without seeing results," Delgorge says.

There was no White Paper for 2011. In its place was a digital compendium prepared by the EBC to provide the European Commission with details for the scoping exercise that preceded the 29 November decision.

As for the numerous White Papers

over the years, Izumi Hamada, secretary-general of the EBC Medical Equipment Committee, views it as a symbol of "the continuous commitment to improve business between Japan and Europe."

"It's also a reliable source of information to understand the issues that need to be addressed," she says.

Although the booklet for 2012 should look familiar to EBC members, it does contain one new and important chapter, for the Energy Committee. The committee was formed over the past summer, after a visit by EU Energy commissioner Günter Oettinger. He pointed to the need for such a group in light of the Fukushima nuclear reactor disaster, since European companies lead the world not just in the nuclear energy industry, but also in renewable energies.

"I think this White Paper might help, in a simple way, to explain some of the items that could be areas of interest, where Europe has certain technologies, expertise and experience that could be applicable in Japan," says committee chairman Frenk Withoos.

The EBC Materials Committee, meanwhile, has long grappled with an issue that appears to have no rationale whatsoever: tariffs on materials that Japan doesn't have and cannot produce. Nickel, to cite one of several examples, is essential for Japanese industry, yet is hit with duties of 3.0-3.3%. The committee is calling for the elimination of import tariffs on all materials.

"This isn't just about us," says committee chairman Ulf Melin. "We

believe that most of the benefit would be for domestic industries, since Japan basically has no raw materials itself and the industries here have to rely on foreign suppliers."

With the strength of the yen hurting the competitiveness of Japanese manufacturing, that argument has never been so compelling.

Beyond industry-specific issues, the White Paper also highlights problems that people everywhere should be concerned about, not just EBC members or foreign companies in Japan – and not even just business people.

An example is traffic congestion in and around the port of Tokyo, as cited by the Logistics & Freight Committee. It is calling for efforts to eliminate the bottlenecks.

"There are long waiting lines there. Those actually reduce the number of trips from the port that trucking companies can do, which increases the time it takes them to deliver. That means trucking companies can't offer more attractive prices," explains committee chairman Mark Slade.

Everybody is affected, Slade says, since the trucks carry massive containers with all manner of cargo inside, "including what you're wearing on your back". Time is indeed money. Delays tend to drive up costs, which are all too often handed all the way down the supply chain to the end user.

Still, the White Paper is not merely a collection of grievances about Japan's trade barriers and business practices. The



“AS [FTA/EPA] NEGOTIATIONS START, THIS DOCUMENT WILL BECOME **EVER MORE RELEVANT**”
Duco Delgorge

document also tracks the successes.

“I think the White Paper is also an opportunity for us to recognise the times when there are moves in a positive direction,” says Bruce Quinn, who heads the Animal Health Committee. “We also like to give feedback to the ministries when progress is made.”

Quinn cites recent improvements

affecting the seed-lot system for vaccine production.

Elsewhere within the EBC, progress has recently been recorded in liquor licensing, government procurement for railway equipment, food additives and medical equipment.

Plenty of work lies ahead in the scheme to bring the EU and Japan

closer together in terms of trade and investment.

“What makes this [White Paper] different from before,” says Delgorge, “is that as the [FTA/EPA] negotiations start, this document will become ever more relevant and useful, and that it will help contribute to the kind of agreement we’re looking for.” [e](#)

Nuts and bolts

“The White Paper,” says EBC Japan Policy director Björn Kongstad, “takes up about 120% of our time from September until the end of the year.”

The EBC Secretariat’s office in Tokyo, headed by Alison Murray, is indeed a hive of frenzied activity throughout autumn as the document is compiled, edited, revised and tweaked – then tweaked some more. The massive editorial effort winds down in mid-December when the 100-page booklet is shipped off to the printer.

The print run for this edition is 1,700 copies of the Japanese-language edition and 1,300 in English.

In whose hands do all these booklets end up?

“Everyone who wants it,” Kongstad says.

The document is sent to all the politicians sitting in the National Diet (a maximum of 722), every senior civil servant with whom the EBC has contact, local officials with EBC contacts, related Japanese companies and the

major business organisations. Copies are also handed out at meetings between the EBC and Japanese business and government officials.

The English edition is distributed to all EBC members. In addition, the White Paper is sent to all European member state embassies.

Why not take the “paper” out of the White Paper and maintain a digital copy only? One answer offered by Kongstad is that a document’s print version makes it harder for recipients to ignore – or accidentally delete.

“There’s a huge difference between saying, ‘This is on our homepage, go there, please,’ and actually giving people something or bringing something with you.”

EBC chairman Duco Delgorge says: “From what we see, people want the physical document, so they are not spending their time online wading through all the information.”



Compliance brief

*Rob Goss talks to international transactions expert **Takahiro Nonaka***

Photos **BENJAMIN PARKS**



Takahiro Nonaka is an associate at law firm Sidley Austin Nishikawa Foreign Law Joint Enterprise, where his practice focuses on corporate matters, litigation and international business transactions. In particular, Nonaka assists foreign companies with compliance matters that range from negotiating with government officials to drafting internal codes that ensure compliance with Japanese laws on such things as anti-corruption and anti-competition issues. Nonaka talks about compliance, the nature of litigation in Japan, and other legal and labour issues facing businesses operating in Japan.

Is total compliance a realistic aim?

No. Companies must, of course, do everything they can to work towards total compliance, but they need to understand that no matter how well they prepare, something will always go wrong. So they also have to be prepared to respond when they do.

That said, there are certain safeguards companies should put in place. Among other things, you need to make sure there are periodic inspections of each department; employees need to undergo regular training on key compliance issues. You need to have a system in place that will protect and support whistleblowers; you need to ensure a linear flow of communication within the company; and you should have an advisory board that can give independent advice on matters such as risk management.

You mention whistleblowers. Last year the Woodford-Olympus story attracted a lot of attention. What could be done to strengthen the protection given to employees who need to report misconduct?

More than anything, it's important for companies to make sure there are no psychological barriers preventing whistleblowers from coming forward. Employees need a point of contact that is set up either outside the company or independently within the company. In particular, that contact point must be independent from the HR department and senior management, or you run the risk of people avoiding speaking up out of a fear that their reputation and career opportunities could be damaged.

With that in mind, companies should also be willing to receive anonymous reports from their employees, even though that does come with some difficulties attached; you will, for example, receive a greater number of frivolous or unsubstantiated claims. The management of a company also has to come out and make it clear that they welcome reports from employees, that they will protect, not punish, whistleblowers. And then they must make sure that reports are actually dealt with.

So the onus should be on companies to police themselves?

It's best if they can, but, of course, even with the best intentions there can be oversights. That's why a company's lawyers

and consultants have to make sure their clients have an effective system in place for dealing with, and encouraging, whistleblowers. After all, it is in a company's best interests to uncover misconduct.

You handle suits involving discrimination, wrongful discharge, unfair labour practice allegations, temporary workers' claims, collective bargaining and other labour issues from the company side. What support is in place for the parties involved in such disputes?

As a possible first step, there are labour consultation counters set up at labour bureaus and labour standards supervision offices across the country that offer a one-stop counselling service on labour problems for workers who may need it. The directors of prefectural labour bureaus can also offer advice and guidance to all parties concerned in a dispute and suggest the direction a settlement should take. Or each prefecture's dispute coordination committee can mediate on disputes.

Beyond that, there is the Labour Tribunal System, started in April 2006 to promote faster and more effective dispute resolution. The tribunal's committees are composed of one district court judge and two citizens who have knowledge and experience in labour matters. This has been quite successful so far. According to recent data, the average period of trial is [a relatively speedy] 70 days and the settlement rate is over 75%.

Looking at a specific issue, what is Japan doing to ensure women have equal opportunities in the work place?

It is important to expand the employment of, and variety of jobs available to women; to appoint women to managerial posts; to improve the work environment and awareness of upper-level management; to establish day nurseries inside companies; and to ensure women aren't victims of sexual harassment. And because of the 2006 revisions of the Equal Employment Opportunity Law, which included affirmative action on many of these issues, things such as the gap between men and women in regard to wages is gradually becoming less.

However, it's important to point out that laws and regulations alone aren't sufficient. For example, my wife, who is a judge in the Sakai branch of the Osaka District Court and is





“**COMPROMISE IS MORE COST-EFFICIENT**, ESPECIALLY CONSIDERING THE LENGTH OF TIME REQUIRED FOR PROCEEDINGS AT THE HIGH COURT AND SUPREME COURT”

raising two boys, always tells me that it is much more important for husbands to truly understand the hardships women face and actively support them – both within the home and with their career.

How does Japan’s litigation system most significantly differ from those in Europe or the U.S.?

Japan’s system is unique in a number of ways. First, contract documents are traditionally simple and don’t detail dispute resolution. This tendency has been changing in recent years, at least in the business context. But traditionally, Japan bases contractual relations on personal trust, and disputes are only considered once they have arisen.

Another difference is that there are no punitive damages in the Japanese legal system. The damages to be awarded by the court are limited to actual damages and lost profits. Nor is there a “class action” [group] structure.

When it comes to resolving disputes, compromise is commonly encouraged by judges. The main reason for this is that both parties are at fault to some extent in most cases. In addition, compromise is more cost-efficient, especially considering the length of time required for proceedings at the High Court and Supreme Court. Once a judicial settlement is reached, it is put into the official records, and carries the same effect as a final court decision.

The Japanese have a reputation for being reluctant litigants. How accurate is that?

An aversion to litigation, and sadly to lawyers in general, does exist in Japanese society. Most Japanese corporations prefer

negotiating a mutually acceptable solution rather than filing a lawsuit. There also aren’t enough lawyers. According to the Japan Federation of Bar Associations (Nichibenren), there are around 30,000 registered Japanese lawyers. [By comparison, the U.S. has 1.1 million licensed attorneys, according to the American Bar Association.] Even with judicial reform, which has seen the introduction of the law school system and a subsequent increase in the number of attorneys, Japan still has very few attorneys compared to other countries.

You were a judge before joining Sidley Austin Nishikawa. How has that shaped you as a lawyer?

I was a judge for 10 years, serving at the district and family courts in Tokyo, Nagoya and Kochi, where I dealt with civil, criminal and family cases. During that time I was also seconded to the HR department of Toyota Motor Corporation, where I dealt with labour issues, and from 2006 to 2008 to the Embassy of Japan in Washington, DC, where I worked on export control, anti-corruption and sanction issues. This kind of broad background isn’t unusual. In Japan judges are generalists, not specialists. The aim of the system is to develop people who can look at cases and issues from a variety of perspectives, not through a single lens.

As a lawyer working on compliance issues, I have to deal with regulatory authorities, police officials, company management, employees, media and many other parties both in Japan and overseas. And so that generalist training has been very important. Having been a judge, I also understand how a judge thinks and can predict how a judge might like to resolve a dispute. ☺



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BBDO Study

People Carry 'Lovers' in Their Pocket

BBDO Worldwide conducted a global survey utilising projection techniques, picture interpretation, and quantitative and qualitative analyses to gather feedback from more than 1,500 consumers in five different countries: China, Russia, Saudi Arabia, the UK and the U.S. The purpose of the study is to help marketers find "the next billion consumers" by exploring their emotional connections with television, PCs and mobile devices.

I&S BBDO in Japan has been conducting annual surveys on national consumer values since 2001, and added questions this time in line with this global survey for the purpose of comparative analysis in May 2012.

Unlike other digital advertising multi-screen research that is often driven by quantitative measurements, this BBDO study took an approach aimed at understanding what's going on in people's "psyche" and how consumers emotionally connect to, and interact with, each screen on a personal level. The study applied Jung archetypes to help identify personalities for each device. The results present a striking picture of similarities and differences – across geographies, ages, demographics and screens – that leads to interesting advertising ideas and suggestions, which can help create more compelling and relevant brand messages.

Among the conclusions drawn from the BBDO study:

- **Television is like an old, reliable and entertaining friend**
The Everyman that sits comfortably and passively in your home. However, there are differences around the world and among age groups, especially in Russia and China where television developed as something viewers were wary of, given that it was state-owned.
- **The PC is like an older sibling**
Someone to learn from, show off to, and compete with. It's far more trusted than television, especially in Eastern countries and among younger consumers, because users can control/choose the content on their PCs.
- **The mobile device is like a "new lover"**
The most personal device is something users feel close to. They want it with them at all times. It is a relationship that is just being formed and, as such, cuts across all age groups and geographies because of its "newness". In Japan, there are some differences in this category, where people regard smartphones as an "outlaw" and non-smartphone-type mobile devices (what is called "Galapagos" mobile) as "everyman". Tablets, in actuality, are something of a mix of the other screens.

Top 3 Characters by Device in Japan

	No. 1	No. 2	No. 3
TV	Everyman 51.0%	Jester 22.9%	Ruler 16.0%
PC	Sage 48.0%	Creator 32.8%	Explorer 28.5%
Smartphone	Outlaw 42.0%	Magician 35.9%	Creator 35.6%
Non-smartphone mobile device	Everyman 63.0%	Lover 26.3%	Innocent 20.9%
Tablet PC	Outlaw 37.9%	Explorer 35.8%	Creator 33.6%



Based on findings from this study, the following types of communications are recommended:

- For mobile messages to be effective, they must recognise the personal nature of this medium. What works on television or other screens will not necessarily be effective on mobile devices. Messages must be highly relevant, meaningful and useful. They also have to be intimate, surprising, unobtrusive – help the user fit in and belong. For advertisers, the format of the advertising for tablets, therefore, needs to reflect which 'hat' the tablet is wearing.
- Advertising on a PC can be especially appropriate to reach younger consumers. However, the advertisement needs to be something they can learn from, share and show off. It should teach, challenge, and appeal to the users' competitiveness (e.g., include a gaming component).
- There has never been a better time for television advertising to seize the moment. Whether viewed on a television screen, PC (in the role of a TV set) or video games, audiences are receptive, waiting to be entertained and humoured. Television remains a rich, powerful medium, and advertisers should continue to be making great ads for it.

I&S BBDO



For further details, please contact: Aya Miyashita, PR Director, I&S BBDO, e-mail: prdiv@isbbdo.co.jp

IJCC Business Awards Dinner 2012

29 November, Conrad Tokyo

Text **DAVID C HULME**

No better proof of Ireland's successful commitment to the global competitiveness of its businesses could be found than Corvil, winner of the 2012 Innovative Exporter of the Year Award.

Since its founding in 2000 by researchers from the Dublin Institute for Advanced Studies (DIAS), Corvil has become the market leader for monitoring trading systems in financial markets. Its clients are the world's leading trading organisations, including global banks, securities companies, and the New York and London stock exchanges. In just a few years, these market players have plunged into an environment of computer-driven transactions carried out across vast and complex global trading networks. The phenomenon implies huge risks and totally re-draws management demands. It was DIAS mathematicians who devised the "short timescale precision measurement technologies and innovative algorithms" that form Corvil's core intellectual property and allow for viable management strategies. Today, rather than the one-minute intervals common a decade ago, Corvil monitors trading systems with nanosecond accuracy.

"We have two main competitive advantages," said Kenji Ogura, Corvil's regional sales director for Japan. "One is our experience in deploying to major financial institutions. The other is our cutting-edge software and related patents."

Corvil has attracted attention for establishing a strategic base in Tokyo, which it naturally regards as a key global financial centre, Ogura explained. The firm arrived here in 2009, but was incorporated as Corvil Japan only at the beginning of 2012.

"About the same time, Corvil was selected by the Tokyo Stock Exchange. Now Corvil is expanding its business in Japan," said Ogura, who joined the firm after being told by CEO Donald Byrne how important the Japanese market is for Corvil's global plans.

"I fully understand the expectations of our customers in Japan," said Ogura, who has previously served as sales director in this market for such IT heavyweights as Cisco Systems, Microsoft and Oracle. "I can speak on their behalf and become a bridge between Ireland and Japan."

The IJCC Business Awards Dinner 2012 was a lively affair, with entertainment provided by the Tokyo-based Ardagh School of Irish Dance and the music group Orphan.

Japanese companies took the two other awards on the night, for their cooperation with, and commitment to, Ireland.



Fujitsu Laboratories, the R&D arm of the Fujitsu Group, was recognised for its first collaborative research project with Ireland, which was launched in 2012.

"It is an honour to receive this award. On behalf of Fujitsu Ireland and Fujitsu Laboratories, I would like to express our sincere gratitude to the IJCC and the Embassy of Ireland in Japan," said Fujitsu Laboratories president Tatsuo Tomita.

"The massive and continuously increasing amounts of digital data – so-called big data – becomes extremely difficult to manage, analyse and leverage efficiently," Tomita said. "This joint research project will identify new models and make such data more valuable to end-users."

Fujitsu Laboratories is involved in everything from information communications technology solutions and systems to networks, devices and materials. A group of Fujitsu Laboratories researchers will work with the Digital Enterprise Research Institute (DERI) based at the National University of Ireland, Galway, in the area of networked knowledge. The joint aim is to identify new models and commercial opportunities for exploiting the vast quantities of static and dynamic data on the Internet.

Tokyo-based THK received a special award for investing strongly in the expansion of a plant, located in Tallaght, Dublin county, that is the primary European manufacturer for its range of ball screws. THK developed the world's first linear motion (LM) guide in 1972, and is now a leading designer and producer of LM guides and components used in machine tools, semiconductor and medical equipment, and robots. Its more than 8,600 employees work at 28 manufacturing operations worldwide. THK CEO Akihiro Teramachi was on hand to receive the award.



No apologies

Bowing out, and still staunchly positive on Japan

This is my last column for *EURObiz Japan*, since I am resigning as director of the Economist Corporate Network.

My commentary on Japan during the past three years has been resolutely contrarian. I am now wondering whether my enthusiasm for Japan may have been too forced – possible because I was unduly influenced by the requirements of ECN members.

It certainly seems forced, in the face of torrents of bad news in the press and the scathing tone of many an editorial about Japan. But, overall, I stand by my opinion that Japan will be here for a long time, offering a quality of life, a social cohesion and an industrial virtuosity that are unrivalled in the rich world.

Much of the analysis about Japan is simply tosh. I constantly see esteemed economists in prestigious newspapers take economic data and give it a purposefully negative slant. The most common example concerns government debt. This is at a very high level, but the fact is that Japan can still pay for 95% of this debt itself. Many of the French, UK and US economists who portray Japan as a basket case are from countries that have not been able to finance their debt domestically for decades.

As I wind down my stint at the ECN, I remain curious as to why perceptions of Japan are so dark. The truth is that, unlike China, dealing with Japan is relatively straightforward. Perhaps trained observers over-complicate things. They

learn Japanese at a young age, and see mystery and obfuscation everywhere. They fail to see what every tourist in Japan sees and loves: a well-functioning, orderly and efficient country where rigorous adherence to rules is balanced by a bacchanalian abandon when it comes to sensual enjoyment.

I also blame our powerful friends in the finance industry. One can't but notice their anger at Japan's lack of corporate governance – a silly term, which essentially means giving hedge funds and bankers as big a slice of corporate profits as possible.

This lobby for wealth redistribution (to themselves) remains very powerful, and I can't help thinking that their disdain for Japanese corporations' stakeholder-based approach has seeped through into a more general attitude.

Beyond that, the analysis is simply unintelligent. Organised crime in Japan is considered appalling, especially in American circles (despite the fact that the US has generated more organised crime through its unsustainable prohibitions on alcohol and drugs than any other country in the world).

To me, the organised crime situation presents a classic case of Japan's social genius. Criminal organisations have headquarters, addresses and name-cards. They are in constant touch with the police. There is an acceptance in Japan that evil is part of human nature, and can only be channeled – not

“THE TRUTH IS THAT
DEALING WITH JAPAN
IS RELATIVELY
STRAIGHTFORWARD”

eliminated. Compare the staggeringly low levels of crime in Japan to those of Mexico, where the US-influenced war on drugs has caused the death of thousands of innocent people, often in sickeningly gruesome ways.

So, for all of us in Japan (and I intend to continue to be based here), the future is anything but dark. Indeed, compared to the rest of the world, Japan is looking more attractive by the day. Not, perhaps, to desperate African would-be immigrants (which may be a good thing), but certainly to the international rich. Japan is increasingly “not China”, “not American” and “not European”. As the rest of the world stays mired in a dysfunctional social reality and economic extremism, Japan's strengths will shine ever more brightly. 



DAN SLATER

Director of the
Economist
Corporate Network
in Tokyo

Aquaponics

Scaling down for sustainability

Text and photo **GINGER VAUGHN**

Many industrialised nations are losing farmers to old age, but the situation is especially dire in Japan – the fastest ageing developed country whose young people continue to migrate to the cities. The proposed solution is to completely change the way this country, one of the world’s highest net food importers, manages agriculture. The government wants to expand the size of the average farm 30-fold over the next five years to make food production competitive in a global market place, and is considering entering discussions on free trade agreements. The Trans-Pacific Partnership, for example, would expose domestic rice farmers to international competition. Understandably, agricultural associations are arguing loudly for food self-sufficiency.

These days, to many consumers, food safety is an even bigger issue. Consumers expect fresh, high-quality produce, for example, and they also are reading labels with greater caution. While food-safety awareness in Japan may lag behind that in other countries, today’s Japanese consumers are deeply concerned about where – and how – their food is produced.

Aragon St-Charles, founder of Japan Aquaponics, believes that demand for safety as well as self-sufficiency can be met cost-effectively by applying aquaponics. Such systems usually consist of a fish tank connected by pipes to a vegetable planter. Nutrients derived from fish waste are then used to grow fruit and vegetables in a symbiotic, closed-loop cultivation system. The advantage of the systems developed by St-Charles is that modifications can be executed economically to accommodate either a

small indoor space or a large farm.

While yet to catch on in Japan, such non-traditional agriculture “could help companies reinvigorate the farming sector, raise quality and profitability, and encourage younger generations to return to farms,” says St-Charles.

Hydroponics systems, on the other hand, that use sand, gravel or liquid with added nutrients – and without fish tanks – have existed quietly in Japan for decades. They are operated almost exclusively by corporations, including the big trading houses.

Over the past 18 months or so, interest in alternative agricultural technologies has grown as performance by Japan’s agricultural industry remained weak and showed little hope of recovery. Inventions such as the Agri-Cube, a hydroponic unit developed by Daiwa House Industry, went on sale in April, and is said to have the capacity to produce 10,000 vegetables a year in the equivalent area of a single parking space. However, prices start at ¥5.5 million, so it is hardly practical for small communities or individual farmers.

According to some estimates, almost 90% of hydroponics facilities post annual losses due to the high initial capital input. Since farming licenses are difficult to obtain, most operators register as “plant factories”, which excludes them from tax breaks and incentives available to farmers.

St-Charles says aquaponics could have a big impact because of its simplicity and low start-up cost. A basic indoor home system (growing bed and fish tank) for a beginner costs just over ¥20,000. With clay pebbles in the planter and fish in a water-filled tank, the micro-aquaponic system needs only fish food to maintain a supply of vegetables.



THE MICRO-AQUAPONIC SYSTEM NEEDS ONLY FISH FOOD TO MAINTAIN A SUPPLY OF VEGETABLES

St-Charles sees the immediate appeal of aquaponics to address the need for safe, local food production in disaster-ravaged areas. While he has been involved with aquaponics for a decade, the Canadian recruiter-turned-entrepreneur has been aggressively expanding outreach and education programmes since 3/11, aiming to educate people and raise awareness in the Tohoku region about alternative farming. Recently, for example, in collaboration with the Australian and New Zealand Chamber of Commerce in Japan, and O.G.A. for Aid, St-Charles designed and installed an indoor aquaponics system at a community learning centre in Minamisanriku, a small coastal town in Miyagi prefecture. The next goal for Aquaponics Japan is to develop a system that can help commercial farming throughout the hard-hit northeast region.

According to St-Charles, what makes aquaponics viable in Japan for sustainable agriculture is “changing attitudes, a new focus on quality and sustainability, and consumers willing to pay for high-quality produce” 

Counting carbon

New standards guide the environment-friendly corporation

Text **ALENA ECKELMANN**

CO₂

For corporations that have to be concerned about the environmental impact of their activities, greenhouse gas (GHG) emission assessment is a work in progress. Measuring the corporate carbon footprint takes a lot of work and requires close dialogue with suppliers, customers and a wide range of stakeholders. Measurement also requires reliable assessment standards and methodologies.

This spring, the European Commission Directorate-General for the Environment adopts the European Environmental Footprint Methodology for products and organisations. These two voluntary assessment methodologies, referred to as the product environmental footprint (PEF) and organisation environment footprint (OEF), apply throughout Europe and to Europe-related organisations worldwide.

EC environment directorate-general official Dr. Michele Galatola, at the 8th Product Carbon Footprint (PCF) World Summit held in Berlin in September 2012, emphasised the necessity of verifiable data and common standards in the growing and increasingly competitive green market.

"It is also important to give consumers the right to receive carbon footprint information when they buy products and to allow for an exchange of such information about products, materials and organisational performances along the supply chain," he added. "Comparability, consistency and reproducibility in calculating the environmental performance of products and organisations is the aim."

Many businesses worldwide, including in Japan, base their carbon footprint assessment on the Corporate

Value Chain (Scope 3) Accounting and Reporting Standard, as well as the Product Lifecycle Standard, issued by the Washington, DC-based World Resources Institute (WRI) in November 2011.

The product standard allows companies to measure GHG emissions across the entire life cycle of each of their products, including the sourcing of raw materials, manufacturing, transportation, storage and disposal. The value-chain standard assesses all activities of the organisation, including upstream and downstream operations.

Regarding carbon, the WRI and EC approaches are very similar. However, while the WRI standard is limited to carbon, the PEF and OEF methodologies are multi-criteria, allowing for identification of the most relevant impact categories for each product group or sector. Several companies volunteered to test the methodologies during the consultation period.

"Companies are the first to understand the risks and costs linked to the current proliferation of similar methodologies," states Galatola. "Companies also understand that whilst carbon is a key issue, there are others that will soon become at least equally important and that therefore they need to go beyond carbon-only methodologies."

The EC is seeking contributions and support from a wide range of stakeholders.

"We have a very open and fruitful dialogue on-going with Japan at the level of the environment and economic ministries. This is a collaboration that we intend to continue," says Galatola. One of the major contributors to GHG emissions is the use of everyday consumer products. Unilever, which distributes to every corner of the globe, conducted a baseline study in

14 countries regarding the carbon footprints of over 1,600 products, representative of Unilever's entire range, applying a product life-cycle assessment. The study measured the absolute and per-consumer-use impacts of each product category. The findings show that manufacturing, transport and disposal of products, taken together, account for only 5% of the total carbon footprint. Sourcing of raw materials represents 26%, and 68% is generated through consumer use of products involving heated water.

Unilever's ambitious goal to halve GHG emissions across each product life cycle by 2020, therefore, focuses on the consumer side.

"Everyday activities like showering, washing hair, doing the laundry and preparing meals produce significant GHG emissions," says Seikei Itoh, director of communications for Unilever Japan Holdings.

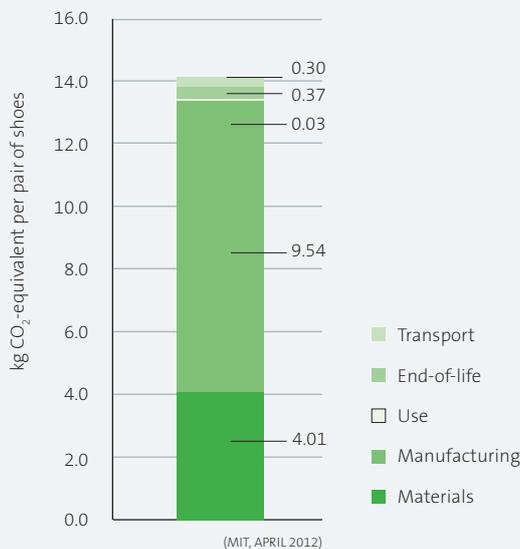
One in every three households worldwide uses a Unilever laundry product. Using concentrated, rather than non-concentrated, liquid detergents would reduce GHG emissions by 10-15% per wash. That would save over four million tonnes of CO₂ annually, the equivalent of taking one million cars off the road per year.

Unilever aims to produce more products that help consumers reduce GHG emissions, and believes it can recoup R&D and other costs of development.

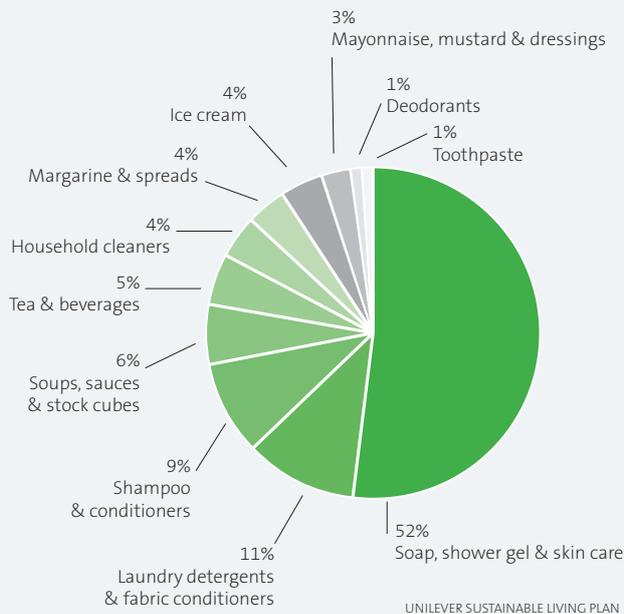
"We see no conflict between sustainable consumption and profitable growth: they are mutually supportive," Itoh says.

Unilever brands that have sustainability built in have all been performing well. Sales of Lifebuoy soap, concentrated liquid detergents, and Comfort

■ Manufacturing-focused emissions reductions in footwear production



■ Unilever greenhouse gas footprint - % contribution by category



fabric softener all grew by double digits in fiscal 2011.

“Unilever’s future success depends on being able to decouple our growth from environmental footprints. The business case for embedding sustainability into our brands is strong,” argues Itoh.

He explains that a small but growing number of consumers around the world view sustainable brands as more desirable, and many retailers need the support of suppliers, such as Unilever, to implement their own sustainability goals.

One of the first companies in Japan to have implemented the Scope 3 standard is footwear manufacturer ASICS. In a 2010 first for the global footwear industry, ASICS collaborated with the Massachusetts Institute of Technology in conducting research into carbon footprint measurement and reduction strategies.

“The research findings quantified the environmental impact of our core product: running shoes. We measure the performance of our shoes, so it was only natural to also quantify their environmental impact,” says Seiko Inoue, environmental sustainability associate in the ASICS corporate social responsibility and sustainability department.

The research showed that making a typical pair of running shoes using synthetic materials produces the equivalent

of about 14kg of CO₂. Considering that about 2.5 billion pairs of running and jogging shoes are sold worldwide per year, these GHG emissions are significant. Of the CO₂ equivalent per pair, manufacturing was found to account for 9.5kg, while the figure for material sourcing was 4.0kg.

Since the sporting goods industry outsources a large proportion of its production, working closely with suppliers is essential.

“A close relationship to our main subcontractor in China, and a similar mindset, was critical for process observation and data collection during the assessment, as well as for the implementation of changes,” says Inoue.

Of the 360 processing steps and 65 parts involved in making a single pair of ASICS running shoes, 13 steps and two parts could be eliminated. The change has already been applied to one shoe model, cutting carbon emissions by 20% for that item.

This is still a work in progress. What checklists do we use to determine the quality of sustainability performance across different companies? What performance criteria can be applied flexibly as a standard across different industries? With limited time and resources, how is management to prioritise its company’s stakeholders? Dylan Scudder, chair of the EBC

“MAKING A TYPICAL PAIR OF RUNNING SHOES USING SYNTHETIC MATERIALS PRODUCES THE EQUIVALENT OF ABOUT 14KG OF CO₂”

Sustainability Committee, would like answers to these questions.

“Most carbon footprint assessment methods still focus only on ecological aspects and technical feasibility, coupled with economic considerations, and they totally leave out social considerations,” says Scudder, who suggests applying a stakeholder concept to evaluating sustainability performance. He agrees that the WRI standards and the European Environmental Footprint Methodologies move in the right direction by widening the scope to include supplier and consumer activities.

“Sustainability is ultimately about more than just balancing environmental, economic and social considerations – it’s about unlocking the synergies between them,” he concludes.

TALENT TRENDS FOR 2013

Outbound growth reshaping talent management in Japan

By Christine Wright, Operations Director of Hays in Asia

Japan's continuing push for outbound economic growth is fuelling changes in the way businesses source and manage talent, and this is expected to continue well into 2013 and beyond.

In a switch from new graduate hiring leading to lifetime employment, businesses are increasingly looking for mid-career hires and multilingual candidates with international experience, while embracing diversity. At the same time, already complicated hiring processes have become even more so.

The focus on outbound has contributed to a talent pinch, as a large number of organisations have begun looking for a very specific set of skills that until recently had not been particularly prioritised in Japan. International experience and language skills are part of this, but it amounts to a difficult-to-define set of soft skills that could be described as a global mindset. Essentially, corporate Japan needs experienced individuals that can understand and respond to the specific opportunities and challenges presented by the overseas markets it is targeting for growth.

Here follows a brief overview of the top talent trends for 2013 for Japan, of which a number have developed on the back of this search for global talent:

1. Multilingual skills

Demand for multilingual candidates remains strong, particularly for overseas sales and call centre/IT or Telco support roles, and including for companies that have traditionally focused on the domestic market.

2. Approval process

Japan's approval processes for new hires are multi-layered, and increasingly firms require global and regional approvals, where once local approval was sufficient.

3. Decline of the expat package

Expat packages are disappearing, with employers instead offering local packages that include other incentives, such as career advancement opportunities and broader responsibility.

4. Use of social media

Last year, we saw an increase in the use of social media to source candidates and screen those shortlisted, and we expect this to continue. Hays warns of the dangers of relying on untested claims on social media sites about a candidate's qualifications and experience, as these can be exaggerated.

“Clients [should] plan their hiring well in advance, and embrace diversity in their workforce”



5. Diversity

In July 2012, the Japanese Government set the goal to increase female workforce participation over the next eight years, backed by research projecting that this could boost GDP by up to 15%. Encouraging new mothers to return to work is a particular priority. At the same time, considering the ageing and shrinking population, age diversity is increasingly common and employers are considering older workers, as this talent pool grows.

6. Attracting back Japanese expats

There is increased effort to attract Japanese expats back to Japan, to contribute their international experience in the outbound growth push.

7. Investment in training

In order to balance the ageing workforce, companies are training more junior candidates to close experience gaps. Employers are more focused on the desire to learn, than on finding a perfect skills match.

8. Contract workers

Employers are increasingly turning to contract workers in response to headcount budgets and like to try out talent before committing to a permanent hire, so candidates in 2013 will need to remain open to contract assignments.

We expect these trends to continue into 2013 and beyond. As the demand pinch continues, we recommend that clients plan their hiring well in advance, and embrace diversity in their workforce.

Opening up the range of potential candidates to those not traditionally targeted ensures that employers draw from the very best across the talent pool. And embracing diverse experiences and skills empowers organisations to more effectively penetrate new markets.

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Henrik Irmov

Chairman, Danish Chamber of Commerce in Japan

www.dccj.org

Text **DAVID C HULME**

“We have come out of the dark, and we can see the light,” says Henrik Irmov, chairman of the Danish Chamber of Commerce in Japan (DCCJ), when asked how prospects in Japan now compare with those a year ago. “We are looking into a positive future.”

Most DCCJ member companies have had a rough time over the past year or two, says Irmov, but not all, since Danish businesses in Japan represent a variety of sectors.

“One of our biggest sectors is the medical industry, and they have not suffered a great deal,” he explains. “Companies in design-related areas – furniture, home accessories, et cetera – have also shown good results.”

As managing director in Japan for Danish transport and logistics company Scan Global Logistics, Irmov has seen his own sector endure tough times. “The import business into Japan is good, but exports have suffered,” he says, citing in particular the strong Japanese yen as a factor. “But I do believe that 2013 will be better than 2012.”

In close co-operation with the Royal Danish Embassy in Tokyo, the DCCJ always gets involved when there is a royal or governmental visit to Japan. The minister for trade and investments was here in February, promoting a proposed EU-Japan free trade agreement (FTA). The minister for foreign affairs also visited in 2012, as did the minister for climate and energy.

“With Japan looking into new possibilities for energy resources, there could be a very important opportunity for Denmark, which is a leader in wind energy and biomass energy,” says Irmov.

Always with an eye on encouraging business, the DCCJ has decided to organise fewer business events in the coming year. People get too many invitations to business-only events, so the idea is to improve the quality.

“We will work on offering events related to current issues, with better-known keynote speakers,” says Irmov. The DCCJ will continue to co-organise events

with other chambers, also for the sake of quality.

“Co-operation allows us to have higher-level speakers and attract more participants.”

Yearly social events, which are popular among both Danes and Japanese, will of course continue.

“We have our barbecue at the embassy in July, the *yakatabune* evening cruise in September, Christmas beer party in November, and so on,” says Irmov, emphasising that relaxed and enjoyable social encounters often make it easier to proceed with future business talks. Events are part of the executive director’s job, and with Kim Knudsen taking over the role at the chamber this month, there may yet be some surprises.

Membership numbers have remained stable for the DCCJ: around 50 corporate and 30 individual.

“We do not see many new companies coming into Japan, so it is from among individuals and companies already present that we find our new members,” says Irmov, noting that the chamber’s membership forms a knowledge base that is essential for newcomers eager to learn about what to do and what not to do in Japan.

“For Japanese companies, participation is often to understand the Danes and the Danish culture. Both at our business events and at our more social events, you have a chance to get close to the Danes,” says Irmov.

And he adds: “In any business, you need to know your partners and your rivals.”

A key advantage for Danish companies is that Denmark is renowned for quality, Irmov says. After the recent successes of Danish chocolates and Danish cafés, he believes that the next growth sector could be fashion. “We are already here with several accessories companies and top-quality jewellery, but fabulously good clothing designs could be next,” he says. “I really hope to see more Danish companies take the time to invest in Japan.”



DCCJ

“In any business, you need to **know your partners** and your rivals”

Irmov is unambivalent about an FTA, explaining that Denmark worked hard for this in the first half of 2012 while it held the presidency of the Council of the European Union.

“We did not get as far as we wanted,” he says. Now, with FTA talks becoming a reality, the DCCJ chairman sees the Japanese market as more attractive than is generally recognised in Europe.

“Japan is still the world’s third-largest economy. There are many business opportunities,” he says. “You may not see the quick growth that you can see in China, but China is not as stable as Japan. Japanese customers do not change suppliers or business relations overnight. If you can provide good service and good products, you have the loyalty of the Japanese customer.”

In rough times, Irmov adds, that loyalty and appreciation for quality, can be of paramount importance.

“The potential in Japan is still large if you have the energy and, most of all, the patience,” he says. 



In self-defence

European partners to help Japan cut military equipment costs

Text **HUGH MACDONALD**

Hanging in Anthony Ennis's Tokyo office, where he oversees BAE Systems north-east Asian operations, is an engraving of one of his company's biggest-ever exports to Japan. Depicted is the 132m-long, 15,380-ton *Mikasa*, the battleship that earned a place in history as Admiral Heihachiro Togo's flagship during the Russo-Japanese War (1905). The *Mikasa* was completed in 1902 at the Vickers Barrow shipyard, now a part of BAE Systems.

More than a century on, Japan still buys howitzers and mortars from BAE Systems. But apart from Japan's domestically built platforms, nearly all the country's military equipment is designed by its closest ally, the United

States. Europeans are largely shut out. Perhaps not for much longer. Driven by necessity, with its Self-Defence Forces (SDF) – ground, air and naval – in heightened demand on a dwindling procurement budget, Japan is ending decades of defence-industry isolation, giving European companies their best chance since before World War II to revive industry ties.

"There is a genuine willingness on behalf of the Japanese government to try and engage more with Europe," says Ennis. "The challenge that faces the Japanese is not dissimilar to that confronting Europe, in that they have declining defense-expenditure resources."

Japan is one of the world's biggest military spenders, with a defence budget close to \$60 billion, bigger than

that of France, the UK or Germany. However, Japan pays dearly for isolating domestic firms such as Mitsubishi Heavy Industries (MHI) and Kawasaki Heavy Industries through an export ban that limits production lots to dozens, rather than hundreds, of units. The Japan SDF pays up to three times as much for planes, tanks and helicopters as do other national military organisations. Meanwhile, on shrinking budgets, its forces are expected to defend an archipelago stretching 3,000km, from Hokkaido in the north to the southern disputed Senkaku islands in the East China Sea near Okinawa.

Japan's defence budget for fiscal 2013 is set to drop for the 11th consecutive year. Not only that, but the budget for procurement is also being eaten up by soaring maintenance costs.

In fiscal 2012, Japan has ¥697 billion to spend on new equipment, down by a third from two decades ago. During the same period, the cost of maintaining old equipment has ballooned by two thirds, to ¥779 billion. It is a “vicious cycle”, said Masahiro Kawasaki, the director for equipment policy at Japan’s finance ministry, in an October seminar during the Japan International Aerospace Exhibition in Nagoya.

Earlier, at the end of 2011, in an attempt to break the cycle, Japan turned a major policy corner that promised more value for money. The government ended a decades-old ban on military exports, opening the door for MHI and other Japanese defence-related firms to revive ties to the likes of BAE Systems. Other potential partnerships are with EADS, the pan-European conglomerate that includes Eurocopter, the Cassidian defence and security division, satellite-maker Astrium, and commercial jetliner-builder Airbus.

Beyond Britain’s *Mikasa* connection, other European countries were forging ties in Japan from a century ago. French engineers played a key role in the construction of naval shipyards that built such vessels as the battleship *Yamato*. France can also lay claim to making the aeroplane that achieved Japan’s first powered flight. German companies were active in providing designs that the Japanese incorporated in aircraft built in the first half of the 20th century.

The easing of export restrictions promises deeper ties with US defence giants, including Boeing, Lockheed Martin and Raytheon. Japan, however, also has motivation to work more closely with European firms, since relationships can be on a more equal footing, which is important if the nation is to acquire the skills to develop its own platforms.

“Working for the Americans, the Japanese would be building sub-systems. From the European perspective, however, Japan is seen as a partner,” noted Masahiro Matsumoto at the Aerospace show. The professor of international politics at St Andrews University in Osaka sees the possibility of cooperation between Japan and Europe with regard to helicopters, unmanned aerial drones and aircraft simulators.



The battleship *Mikasa*

BAE SYSTEMS

“By nature, in Europe, all the programmes we have are the result of cooperation,” says Stephane Ginoux, who, as president and CEO of Airbus Japan and Eurocopter Japan, represents EADS here. “We need to concentrate our forces to make the best of a shrinking market.”

In a sign that Japan’s policy change is bearing fruit for Europe, Britain’s prime minister, David Cameron, signed an agreement in April with his Japanese counterpart Yoshihiko Noda to cooperate in developing defence equipment. This was Japan’s first such agreement with any country other than the US since the end of World War II.

“I think the fact that the first step towards engagement beyond just the US was made with Britain was recognition of the effort that the UK put into selling the Eurofighter [Typhoon],” says Ennis, referring to a 2012 tender for \$7 billion to supply Japan with a new generation of frontline aircraft. That contest was won by Lockheed with its F35, in which BAE Systems is also a partner.

While the blanket ban on exports is gone, conditions remain. Japanese companies have to show that their export activity would add to Japan’s security, and shipments to third parties that worry the government will be nixed.

The guidelines remain vague, however. Before committing to overseas deals, Japan’s military equipment makers and parts suppliers are waiting for more detail.

“The challenge is that they don’t know what they can or can’t export. Companies need to know the size of

their market,” explains Ennis.

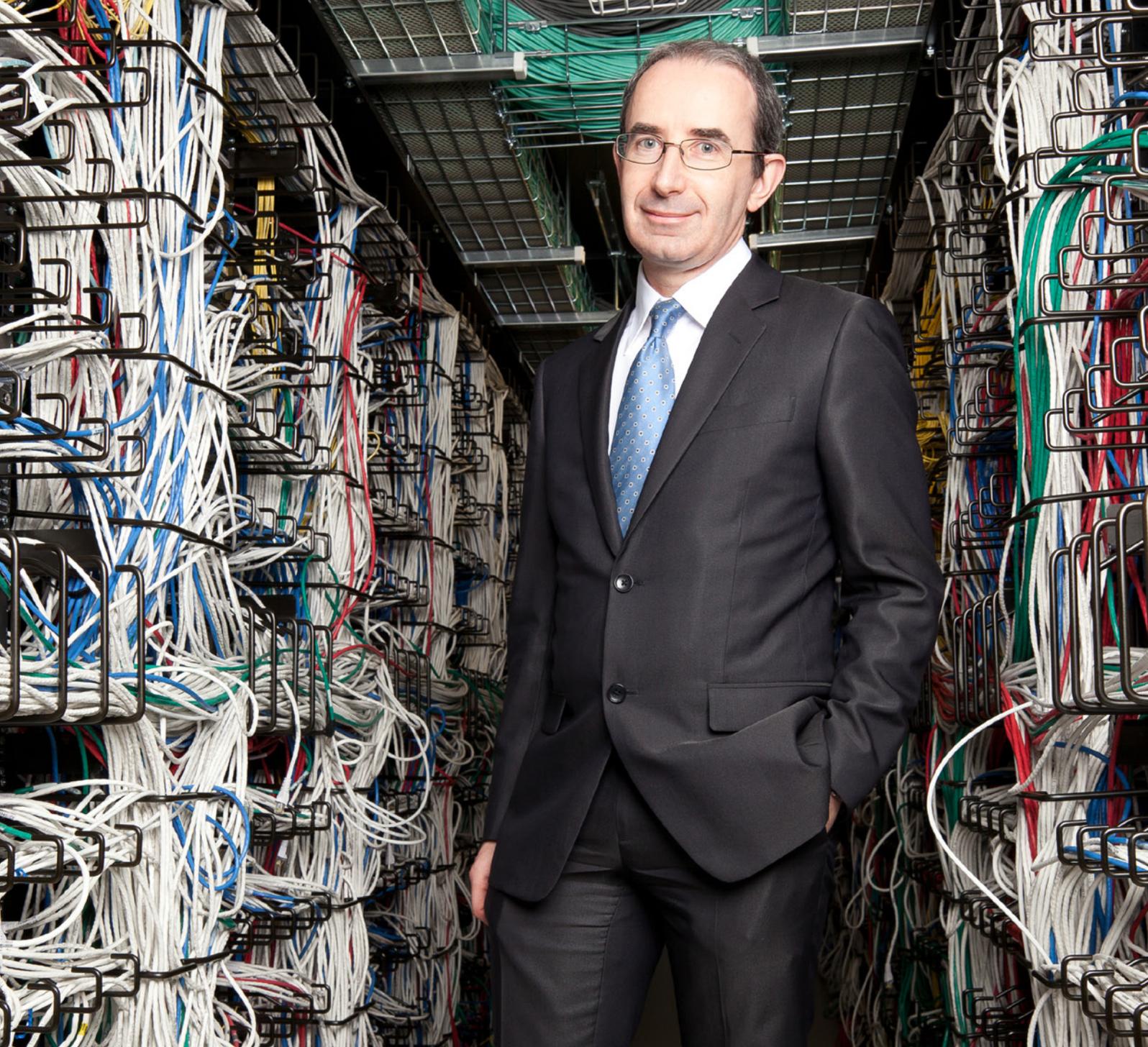
Speaking at the Nagoya seminar, Hajime Wakuda, an official responsible for Japan’s defence industry at the Ministry of Economy, Trade and Industry, tried to reassure the audience that bureaucrats also recognise the need for greater clarity. “We need to nurture an environment within the current legal framework to promote business-to-business co-operation,” he said.

After decades of isolation, Japanese corporate defence contractors now face a tough challenge to become globally competitive. Streamlining may mean a round of consolidation that could leave Japan with fewer, but bigger, defence contractors better able to stand on their own two feet internationally.

“They will probably need to restructure to some extent. They may need to specialise a little bit more,” says Ginoux, adding that the Japanese “are very eager to understand how we work in Europe.”

Few towns in Japan embody the dominance of the US in Japan’s defence picture as much as Yokosuka, home to the only US forward-deployed carrier group, the Seventh Fleet.

Yet, there are reminders that Japan a century ago looked towards Europe for military technology and knowhow. In sight of the naval base, the only example of a pre-dreadnought battleship left anywhere, the *Mikasa*, survives as a floating museum. Nearby is Verny Park, built in honour of Frenchman Leonce Verny, architect of the *Yokosuka* Naval Arsenal (1876), now used by the Americans. 



Steady expansion

Eire Systems

Text **GAVIN BLAIR** Photo **BENJAMIN PARKS**

Founded in the mid-1990s in Tokyo by two Irish expats, Paul Timmons and Matthew Connolly, Eire Systems now has about 100 staff in Tokyo, as well as offices around Asia, providing IT support and project management to firms large and small.

“It all started when I was at an embassy function in Tokyo, and someone asked me if I could set up a network for them. They told other people about what I’d done, and it spread from there,” recalls Connolly.

This was in 1995, and saw the two founders arriving late at their regular jobs and leaving early, moonlighting to test the market for their services. The company was incorporated in 1996 after clients offered them more work if they could commit to it full-time. The new venture got its big break when a reseller of the system for market data trading – that Connolly had installed in the French bank where he worked – asked if he could do the same for other banks.

“This led to us doing this for about 30 banks in the space of about six months,” says Connolly.

The biggest sectors for the company have been financial, technology, pharmaceutical and retail/hospitality. Many clients are either multinationals operating in Tokyo, or Japanese companies with significant overseas operations, though Eire Systems also works with smaller outfits whose core business is technology. There are now some 50 smaller clients, enough to make service provision viable, according to Connolly.

There are two major types of work undertaken. The project-based services are event-driven tasks, such as moving offices, building data centres or installing new computer systems. The operation-based services consist of long-term support for a range of IT-related solutions.

“Especially these days, when most companies have reduced their

headcounts to the bare minimum, it’s difficult for them to carry out projects or provide enough IT support internally,” says Connolly.

“We don’t develop software or represent any particular technology companies, so we’re completely neutral in that regard,” he adds.

“We have our own recruitment section, separate from our HR division, which most companies don’t need. We’re a services company and can only grow if we have the right people to do the work that our clients offer us,” says Connolly. About 70% of the company’s employees in Tokyo are bilingual Japanese who have what Connolly describes as a “more Western mindset”.

One source of growth in recent years has been multinational companies doing global technology deals with service providers who don’t have trained people on the ground in Japan. This work comes to Eire Systems’ door.

The 3/11 disasters provided a boost in projects for the company.

“In the first couple of months after the earthquake, we built a lot of smaller offices in Osaka. Later we right-sized them when clients knew exactly what they needed,” reports Connolly, noting that many of his financial-sector clients still maintain backup operations in Osaka or other cities.

Eire Systems has never had any external investors or debt. It has enjoyed steady growth through profits being reinvested, and has expanded across Asia, with offices now operating in Singapore, Hong Kong and Shanghai.

“Those offices were opened on the back of clients here asking us to do work for them in those places, and we decided there were sizable enough opportunities and markets to sustain branches there,” says Connolly.

Eire Systems now also does work in “nearly every major Asian city”, including cities in China, South Korea, Taiwan, Malaysia, Australia and India. “Having set up in Japan when only a few years out of college, our attention to detail

and expectations regarding quality are based on what’s normal here, which isn’t a bad thing,” he adds.

However, working in various countries in the region, the company must adapt to local conditions. “The level of sophistication, knowledge and expertise is different in every country. The level of quality you expect in Japan is not going to happen everywhere. There is a lot more need for checking and supervision,” Connolly says.

Though he and his partner always aimed to “grow it into a proper company”, they have no intention of taking Eire Systems public. “For a service company, the overheads, from a regulatory and a cost point of view, are just too high,” he explains.

Eire Systems did have an office in Ireland, but closed it, and currently there are no plans to expand beyond Asia. The company continues to bring graduates from Ireland to work in Asia, and some of them end up transferring to clients on a full-time basis.

“OUR ATTENTION TO
DETAIL AND EXPECTATIONS
REGARDING QUALITY ARE
BASED ON WHAT’S
NORMAL HERE”
Matthew Connolly

“We often end up losing guys to our clients,” explains Connolly. “They work in a company, the company likes them and we do a deal to let them join. We don’t want to lose the client, and it saves them going to a recruiter.”

Although he intends to keep growing the company, Connolly appears fairly content with the current size.

“We’re big enough for people to trust us,” he says, “but not so big that if you ask us to do some work for you, we’ll ask you to sign a 1,000-page contract.”

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Count on us

New Year's resolutions abound, but logistics experts know reliability is year round.

Experts point to important considerations when choosing a provider. "Logistics is still a people business," says Herbert Wilhelm, president and CEO at Schenker-Seino. "Experience, expertise and continuous training of staff are important factors that greatly affect the success of a business relationship between service provider and customer."

The geographical network and availability of a service provider's suitable facilities – from offices, warehouses, logistics centres, to terminals and freight hubs – have to meet the customer's requirements, adds Wilhelm.

GLP Japan is in the business of building and leasing the warehouses used by logistics providers. "The most important consideration for our clients is their business continuity plan [BCP]," says Yoshiyuki Chosa, president. "People became very aware, after the 3/11 earthquake, how important these

warehouses are, not just for companies, but for the whole economy."

GLP Japan, for example, incorporated seismic isolators in their warehouses. They were the first to do that back in 2004. The seismic isolator not only protects the building, but also means that the goods inside do not move about and get damaged. "We install other equipment, such as backup generators, that is also important from the standpoint of BCP," Chosa adds.

OOCL Logistics (Japan) sees its clients broadening their reach around the globe. "Being multinational, transnational has become more and more important for their business," observes Takahisa Kashiyama, director. "As a result, logistics providers need to offer diversity, flexibility, and local responsiveness in 2013 and beyond."

Chosa of GLP Japan concurs. "An important consideration would be versatility. In Japan, the manufacturers used to operate their own logistics

services. That system was too expensive, and they were forced to use third-party logistics providers, which needed much more modern facilities," he points out. "With same-day delivery and designated-time delivery, warehouses today have to be bigger, speedier and very high-tech."

Schenker-Seino sees a further advantage. "The capabilities of a service provider in the field of information technology and related solutions are of vital importance to reduce the customer's workload," says Wilhelm.

Sustainability is an important consideration in GLP Japan's capabilities. "The building should be environmentally friendly," offers Chosa. "One of our new developments, GLP Misato, is the first logistics facility in Japan to achieve LEED [Leadership in Energy and Environment] Gold pre-certification."

High on tech

As in other areas of the economy,



technology has become an important factor in the supply chain management and logistics industry.

“I mentioned the seismic isolators,” says Chosa of GLP Japan, “but there are many ways that we can continue improving. What is unique about us is that we have our own teams of engineers and architects who are always on the lookout for new ideas and technologies.”

Wilhelm of Schenker-Seino points out that applications that allow global tracking and tracing on smartphones or other mobile devices are already standard. “We are offering our customers a number of advanced technical solutions such as the Schenker Smartbox – a device to be placed inside an ocean freight container for transmitting position, temperature, vibration, opening and closing of door, etc.”

The Schenker T.I.M.S. Suite, functioning as a temperature information and management system, is a data logger with RFID for recording vital information during the journey of an airfreight shipment. The Schenker Security Box comes in different sizes for valuable cargo, and is equipped with GPS and a special

locking/opening mechanism that can be controlled remotely.

“The modern warehouse is not just a box,” explains Chosa. “Our modern logistic facilities have multiple floors and rampways. These ramps allow 40-foot container trucks to access each level of the warehouse – just the same as if it was on the ground floor – which improves our customer’s operation efficiency.”

Around the Corner

More and more Japanese companies will make advances into emerging markets, and OOCL Logistics (Japan) is more than willing to support their successes overseas. “At the same time, more and more successful foreign companies will advance in the Japanese market,” observes Kashiya. “And we see globalisation as our opportunity to grow together with these potential clients.”

According to Wilhelm of Schenker-Seino, the industry will see more alliances and co-operation among logistics companies and carriers in the coming years. “Even big players will look for ways to work together with competitors to save on cost and to jointly offer

improved services,” he adds. “Of course, this will be done within the applicable laws and regulations.”

Because companies place high value on their supply chain, says Kashiya, “their logistics are successfully reaching their targeted clients. While R&D, production, marketing, and sales are all key factors in the value chain stream, without effective logistics and supply chain management, you cannot effectively reach your customers.”

According to Chosa of GLP Japan, “Time in the market is important for perspective.” He points to GLP Japan as a true pioneer in this market, having established operations in Japan since 2002. “We have a proven track record and strong relationships with our customers,” he adds. Also, most of the members of senior management in Japan have been together as a team for almost a decade.

“Logistics is shifting away from the conventional models,” he continues. “E-commerce is bringing a great deal of change now. It helps to have experience of changes that have happened in the past if you are going to stay ahead of continuing change.” 

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Most pivotal is how OOCL Logistics, as a 3PL (third-party logistics provider), can integrate our operations with the existing in-house systems outside Japan. We are able to set up and run our proprietary supply chain solutions (SCSs), which include SCP (Supply Chain Planning); and VMM (Vendor Management Methodologies). Clients looking at Southeast Asia under the China+1 concept as the promising markets, as well as regarding factory and sourcing clusters in those fast-growing countries, value such comprehensive services.

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Energy //

Ready for action in a changed market

Text **GEOFF BOTTING**

The EBC's newest committee was formed largely in response to what its chairman calls "a booming market".

The market is for renewable energy, in particular solar power and wind power, and the past few months have seen regulatory and other changes in Japan give the industry a sudden and powerful boost. A feed-in tariff for renewables kicked in last July, triggering an investment boom. In just a few months with the incentive in place, the government approved 2.56GW of renewable energy projects, mostly in solar power.

"Before the feed-in tariff, the total solar power capacity in Japan was 5GW. And then, within only three months, an additional 2GW was approved, which is huge," says Energy Committee chairman Frenk Withoos.

Not surprisingly, a number of European companies, which are established global leaders in the renewable energy field, are eager to be part of the action. However, Withoos points to "certain limitations for overseas suppliers" trying to enter the Japanese market

Energy Key advocacy points

→ **Separation of power generation, transmission and distribution**
Provide for transparency and efficiency in terms of cost by separating the respective functions.

→ **Nuclear safety**
The level of safety at nuclear power plants should be increased under the strict watch of an independent and powerful regulatory agency.

→ **Wind energy**
Internationally accepted certification standards should replace local standards for wind turbines and components.

with energy hardware or services.

"So our key points are about creating a level playing field," he says.

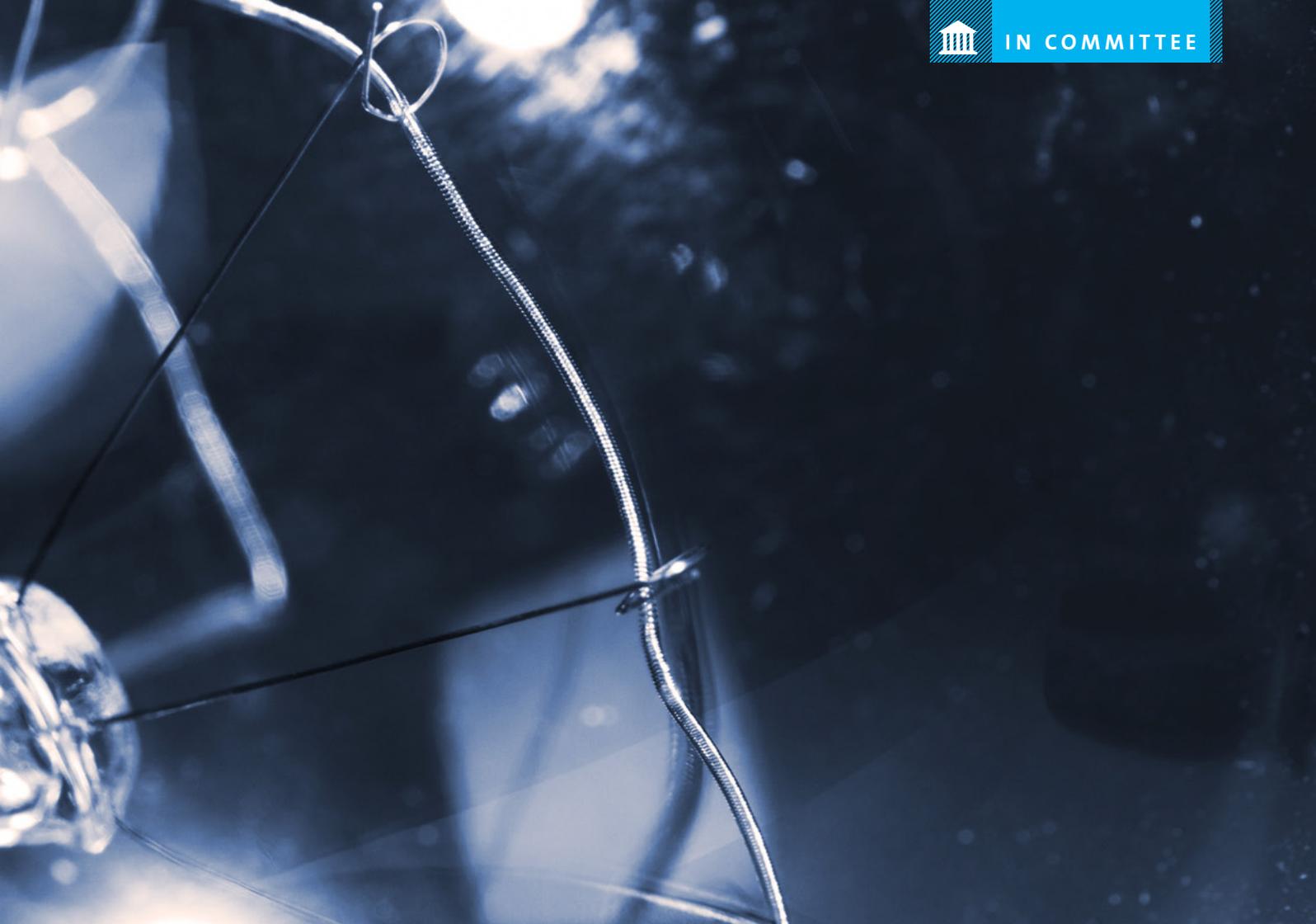
The EBC Energy Committee was first conceived last summer, after a visit to Japan by EU Energy commissioner Günther Oettinger. He recommended that the EBC pay special attention to

the energy sector in the wake of the big regulatory and market changes that have taken place since the crisis at the Fukushima Daiichi Nuclear Power Plant.

The founding members of the new committee include ABB, where Withoos is a vice-president; Areva Japan, the local unit of the French nuclear power giant; GHT (Group Hi Tech); Infineon Technologies Japan, Q-Cells Japan; the REC Group; and Vestas.

The Fukushima disaster highlighted a number of problems with the way power is generated, transmitted and distributed in Japan. One of the major issues is the regional monopolies of Japan's 10 power utilities, according to the committee. These companies, including Tokyo Electric Power Company (TEPCO), generate, transmit and distribute power on their own separate grids. The committee recommends that greater competition be introduced into the power market. This would involve separating the generation, transmission and distribution functions, as well as allowing newcomers to enter any segment of the market.

An ideal system would have a single,



flexible, nationwide grid giving access to various energy providers offering rates based on current supply-and-demand conditions, and could take advantage of the archipelago's geographic diversity.

"You could generate a lot of wind power in Hokkaido, for instance, while in the south there would be a lot of opportunity for solar power. Then you could use thermal energy to compensate for fluctuations in wind and sunshine," Withoos explains.

Europe has already separated transmission grids from the generation business, he adds.

There is a Netherlands-Norway link operated by a dedicated transmission company. The Netherlands imports hydro-electric power during the day, when demand is high, and export excess capacity during the night when demand is low."

Japan's utilities operate on a "cost-plus" model, pricing their power rates based on a fixed amount of profit. This arrangement, says the committee in the EBC's 2012 White Paper, does not motivate utility companies to reduce costs and increase efficiency.

The committee is also concerned that Japan's banks may represent another barrier for foreign suppliers of equipment.

“OUR KEY POINTS ARE ABOUT CREATING A **LEVEL PLAYING FIELD**”
Frenk Withoos

"The banks are sometimes unwilling to finance projects where there is a foreign component," Withoos says. "Even if there are reputable makers from overseas, the Japanese banks prefer to see the names of Japanese suppliers."

Furthermore, the banks have been slow to keep pace with the sudden changes taking place within the renewable energy sector, and their tendency is to err on the side of extreme caution, asking for extraordinary guarantees.

The committee takes the position that nuclear energy can still play a central role in meeting Japan's energy

needs, despite the idling of nearly all the reactors in 2011 and the DPJ Cabinet's plan announced last year to abandon nuclear energy by the 2030s. The committee wants to see new safety regulations that are thoroughly applied. This means giving teeth to the recently created Nuclear Regulation Authority, which is compiling a new set of safety rules for the nation's nuclear power facilities. The EBC Energy Committee is keen for the agency to be transparent and truly independent.

In the wake of the Fukushima disaster, the local media reported on Japan's "atomic village", a broad collection of powerful figures – including nuclear industry people, academics and politicians – who are staunchly pro-nuclear power and effectively shut out dissenting or alternative views. But now is the time for Japan's energy industry to become more open to outsiders, according to Withoos.

"They didn't allow anyone else to come inside," he says. "Especially with this kind of technology, you cannot keep it locked up in Japan. You also need to consider foreign expertise." 



Spinning free

Text and photo **GEOFF BOTTING**

How would you like to have a sustained and steady career, with decent pay, that basically allows you to do something you absolutely love? We are talking no offices, no spreadsheets, no having to wear a suit.

Peter Barakan, a freelance broadcaster, has worked that way for the past three decades. You may have heard him on FM radio in Japan, or caught his music commentary on TV.

"I'm in a really, really unique situation, where I can choose all the songs I play," says Barakan, 61, who speaks fluent Japanese. "From about the late '80s, I managed to acquire a

niche in radio where I was able to do the work I love – and do it in a way that I felt totally happy about."

On his regular radio shows at InterFM and NHK-FM, you hear an eclectic range including vintage rock (Eric Clapton, Jimi Hendrix, Stephen Stills and others.), R&B classics (such as Curtis Mayfield and Marvin Gaye), jazz, folk, reggae and world music.



“NO HARD ROCK OR HEAVY METAL, VERY LITTLE HIP-HOP, NOT MUCH RECENT R&B, AND NO IDOL-TYPE POP”



He adds: “But no hard rock or heavy metal, very little hip-hop, not much recent R&B, and no idol-type pop.”

When not broadcasting his favourites, Barakan works on TV, where he co-hosts programmes that present news and cover culture.

Barakan came to Japan in 1974, after earning a degree in Japanese from the School of Oriental and African Studies

at the University of London. He has never looked back.

His first job at a music publishing company involved mainly copyright protection of foreign songs played or aired in Japan. His big break into local showbiz came in 1980, when Tokyo FM provided an initiation into DJing.

“I always wanted to have a radio show, ever since I was a student,” Barakan says. “But I had no idea that it would actually happen.”

Four years later, he began appearing on TV, and in 1988 he started to co-host a show called *CBS Document* on Tokyo Broadcasting System Television (TBS), providing commentary for segments of the US news documentary programme, *60 Minutes*. Nearly a quarter of a century on he still does the show, now named *CBS 60 Minutes*, on the TBS cable channel *Bird News*.

His other regular assignments include *Weekend Sunshine*, Saturday mornings on NHK-FM; *Barakan Beat*, Sunday afternoons on InterFM; a Japanese talk show on Tokyo FM, Friday evenings (6:30-7:00); and *Begin Japanology* on NHK World. The latter is an English-language TV programme that introduces various aspects of Japanese culture and tradition, mainly targeting the international viewer.

His career in broadcasting recently expanded in a whole new direction. InterFM offered him the position of executive director – one that puts him in charge of the radio station’s programming.

Come April, all the DJs will have the freedom to choose the music they play – a bold concept in the world

of Japanese radio. Elsewhere in the industry, programming is normally placed in the hands of office-bound directors, who are influenced by sponsors. In Japan, sponsors often buy a programme or block of shows, giving them a big say in the music that gets aired – regardless of audience preferences.

It hasn’t always been that way, however. Barakan recalls his early years when Japanese radio was a lot less “commercial” – driven more by music than the bottom line.

“Back in the ’70s, FM stations were playing whole albums, and they would even tell you how long the album was so you could get your cassette and record it straight off the air,” he says.

Although Barakan has no intention of reviving such forms of piracy, he does want to “revert to an FM format that is tuned towards listeners and not towards sponsors. In my own shows I ask, ‘Who is the programme for?’ It’s not for me, it’s not for the station, it’s not for the sponsors – if there are any. It’s for the people who listen. Ultimately, unless we get listeners, we’re not going to get any sponsors anyway. Sponsors are going to come when people are listening.”

The inevitable question to pose to Barakan, after nearly four decades, is what has kept him here so long.

“All kinds of things,” he responds. “My wife, whom I met in 1976, having children ... Japanese food, the safety, not just for me but my family.”

Above all, perhaps, is the opportunity to turn his love of music into an extraordinary career.

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Old dog, new trick

Department stores have been the bedrock of Japanese retailing for 150 years, and they have not changed much in that time. Times do change, however. Since the mid-1990s, department stores' market share has collapsed along with their fading allure as high-status emporiums. To fix this, some are trying to adapt, and Isetan Mitsukoshi has one of the most radical plans of all.

In November, CEO Hiroshi Onishi announced that Isetan Mitsukoshi will open as many as 200 stores over the next few years, and that these will be small speciality outlets. This unprecedented step has caused considerable surprise in the industry.

The plan is part of a four-pronged strategy:

- Roll out 150-200 specialty stores nationwide through 2016
- Expand e-commerce and upscale supermarkets
- Focus investment on three key city flagships: Isetan Shinjuku, Mitsukoshi Ginza and Mitsukoshi Nihonbashi
- Raise own brand goods to 20% of sales

Apart from the investment in flagship stores, all these initiatives are radical precisely because they demand risk. Department stores had devoted 50 years to a business model that delegated risk to others – a system that worked well as long as they dominated retailing. Today, they have to engage in the retail process, including taking on risk.

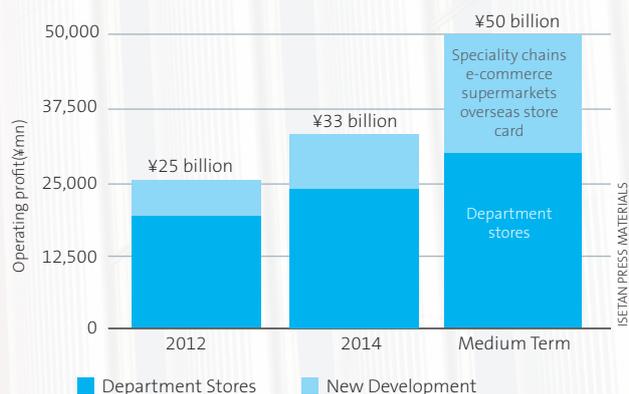
The new specialty chains are key. In the past year, Isetan Mitsukoshi has experimented with two new stores: a cosmetics chain called ISETAN MIRROR Make & Cosmetics and an upscale men's emporium at Haneda airport. More such stores will open, as well as new concepts (handbags and footwear are likely), aimed at people who avoid department stores, in particular younger consumers, and located where they shop.

Isetan Mitsukoshi forecasts sales of ¥50 billion by the end of fiscal year 2016 for these stores. Though that is

not much for a group with a turnover of ¥1.23 trillion, the potential for profit and long-term growth is driving the decision. Isetan Mitsukoshi also hopes to raise operating margins at the department stores, but cultural barriers and the time needed to reach higher margins in its own brands make this difficult.

Isetan Mitsukoshi also doesn't have experience in running speciality chains. It has hired new staff who do, but the learning curve will still be very steep.

Isetan Mitsukoshi's specialisation plans



ROY LARKE

JapanConsuming is the leading provider of intelligence on consumer and retail markets in Japan. The monthly report provides news about, and in depth analysis of, current trends.



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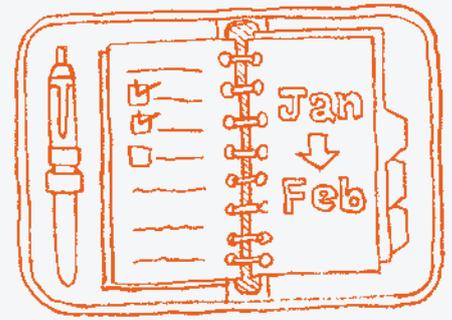
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Upcoming events



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

Monthly Belgian Beer Gathering

21 January, Monday, from 19:00
18 February, Monday, from 19:00
18 March, Monday, from 19:00

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

BLCCJ Bridal Booth International Fashion Fair

23-25 January, Wednesday-Friday,
10:00-18:00 (-17:00 on 25th)

Venue: Tokyo Big Sight, Kokusai-Tenjijo Station
Contact: info@blccj.or.jp

Belux Business Talk: "Apple talk"

31 January, Thursday, 12:00-14:00

Speaker: Andrew Shuttleworth, Business Manager, Apple Store
Venue: Apple Store, Ginza
Fee: Pay for your lunch
Contact: info@blccj.or.jp

New Year Party: "soiree moules/frites"

13 February, Wednesday, from 19:00

Venue: Restaurant Le Petit Tonneau, Toranomon
Fee: TBC
Contact: info@blccj.or.jp

► **Finnish Chamber of Commerce in Japan**
www.fcc.or.jp

Visit to the Diet and Lunch

22 February, Friday, 11:45-14:00

Lunch: with Marutei Tsurunen, Member of the House of Councillors
Venue: Japanese Parliament
Fee: ¥3,000
Contact: fccj@gol.com

► **Ireland Japan Chamber of Commerce**
www.ijcc.jp

Third Thursday Networking

17 January, 21 February, Thursday, 19:00-21:00

Fee: Buy your own drinks.
Contact: secretariat@ijcc.jp

IJCC & ACCJ Joint Networking Event

31 January, Thursday, evening

Venue: Ambassador's Residence, Embassy of Ireland, Azabu-Juban Station, Exit 4
Contact: secretariat@ijcc.jp

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

SCCIJ January Luncheon

17 January, Thursday, 12:00-14:00

Speaker: Hiromichi Shirakawa, Chief Economist of Credit Suisse Securities (Japan) Ltd.

JANUARY						
S	M	T	W	T	F	S
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FEBRUARY						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

Venue: Grand Hyatt Tokyo, 2F, Anise Room
Fee: ¥8,000 (members and non-members)
Contact: info@sccij.jp

Compiled by **DAVID UMEDA**

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Haruno Yoshida

Trailblazer

Text **GAVIN BLAIR**

Photo **ALFIE GOODRICH**

Haruno Yoshida describes her family as typically very conservative Japanese, and yet, as she was growing up in Tokyo, they often had Westerners as home-stay guests. This led to her interest in all things foreign, including the English language, though she says the international influences did not rub off as much on her three sisters.

“My parents often told me I was always different and wasn’t like a proper Japanese woman: I spoke too much, was too opinionated and used too many gestures,” Yoshida recalls with a laugh. She also recalls her mother telling her eat *natto* because it would help make her into a tenacious person.

Upon graduating from Keio University, which she represented in tennis, her first job was at Motorola. The telecommunications industry and global companies have defined her career ever since.

Having followed her then-husband to his native Canada, she joined a Canadian telecoms firm at the time the market there was being deregulated, selling cheap overseas calling plans to the Japanese business and expatriate community.

“I really enjoyed selling services. People trusted me and I was good at it,” she says.

Moving to New York to work for NTT, she began serving Japanese companies operating in the United States, building a network of business contacts that would serve her well on her return to Japan. Yoshida says she lived through some tumultuous times in the Big Apple, including the dot.com bubble, its subsequent bursting, the MCI scandal, and then 9/11.

The notion of returning to Japan came to her while she was running, an activity

that remains a passion.

“I still run 20km on Saturdays and Sundays, so nearly a full marathon every weekend, rain or shine,” says Yoshida. “It’s the only time my mind shuts down, well at least temporarily. But then new ideas pop into my head, and I send my staff emails about them before I forget. So, running, but with a Blackberry.

“I had an incredibly good time in North America, and saw lots of things I would never have seen in Japan. I thought it was my mission to come back to Japan and convey what I’d experienced, in terms of market dynamism and having women in executive positions,” she continues.

Yoshida says that many of her colleagues in New York told her when she left in 2004 that she would be back within three months, only strengthening her resolve to make her return to Japan successful.

“The longer I stay in Japan, the more I see what needs to be done. Japan is beginning to change, if in a very awkward way, and I feel I have to help that,” she says.

Yoshida believes that the events of March 2011 convinced people in Japan that the country has to change, “for the first time in decades”. She compares the unifying effect to what 9/11 did for the US.

As well as growing BT’s business in Japan, one of her major goals here is to promote diversity.

“BT operates in 190 countries, understanding and dealing with all those different regulations, people, cultures; it’s all about diversity,” she argues. “The Japanese government has said that 30% of senior executives should be women by 2020, but how is that possible when there aren’t enough women in management positions now, and it’s only eight years to go?”

Yoshida has another hope for 2020: to see the Olympics held once again in her home city.

“BT had a very successful Olympics in London, and we have a lot to contribute if the games are held here. It would also be a way to promote Japanese technology. Japan’s growth is all about technology; it’s still our greatest asset. We don’t have many natural resources. And it would be a way to unite people in Japan again.”

Looking back on her career, Yoshida confesses that juggling motherhood with the life of a trailblazing female executive has sometimes been a struggle. Though she believes regrets are pointless, she nevertheless feels them sometimes over lost time with her daughter, who is now a university student in Canada.

Her own mother seems to have been right about the *natto*. [e](#)

i Do you like *natto*?

Title: Managing director, BT Japan

Time outside Japan: “About 10 years in total, in North America”

Career highlight: “Becoming president of BT Japan”

Career regret: “As a working mother, I had to give up time with my daughter”

Favourite saying: “Avoid infatuation with immediate advantage. For enduring prosperity, harbor grand aspirations.” (Takashi Masuda, the first president of Mitsui & Co.)

Favourite book: “*Reimagining Japan: The Quest for a Future That Works*”

Cannot live without: “My daughter”

Secret of success in business:

“Partnership. Whatever you do, it’s got to be for others”

Do you like *natto*? “Yes, my mother told me that you have to eat *natto* as it makes you ‘*nebari-zuyoi hito*’ [a tenacious person]”





Performers on fire

Photos and text **BENJAMIN PARKS**

Tokyo-based Fire Bandit, formed in 2003, performs at events, on TV, in movies and in music videos. Founding member Izumi (all nine members go by a single moniker professionally), originally a painter, says he is used to the dangers, including the risk of burns.

“We’ve done about 200 events so far. A show with smoke and laser special effects was probably the most interesting,” he says, but he adds that Fire Bandit performances might be made more exciting overseas. “My dream would be to perform in another country, since the rules in Japan are rather strict.”







Przemek Sobócki

Freelance illustrator

The organic, colourful, fungus-themed illustrations of Przemek Sobócki recently brightened Isetan department stores' window displays, floors and columns across Japan. Born in Poland, Sobócki came to Tokyo from London, where he was an interior designer. He decided to change professions after receiving a prize for his first published illustration.

"My approach is like that of a designer. As a designer, you work closely with the customer, and you have to really think about what the client wants," says Sobócki, who is in his sixth year working in Tokyo. "It is not so much about you and your ego, but mostly about putting things together."



Photo **JULIAN LITTLER**

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