

EURObiz JAPAN

Golden opportunity

EBC 2015 white paper

Sky high

Why foreign carriers pay more to land in Japan

Vanishing act

How Mt. Gox crashed and burned

The real business of diplomacy

*Gunther Sleeuwagen,
Belgian Ambassador to Japan*

12 2015



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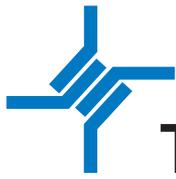
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European Business Council in Japan (EBC)
The European (EU) Chamber of Commerce in Japan

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.

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



Contributors

Steve McClure catches up on the latest at the Austrian Business Council, page 25.



Steve is a Tokyo-based freelance journalist and broadcaster. A native of Vancouver,

Canada, he has lived in Japan since 1985. In 2009 he launched McClureMusic.com, an email newsletter covering the Japanese and Asian music scene.

"The Sound of Music', Mozart and Sigmund Freud: I didn't know too much about Austria until I interviewed Michael Otter. Now I have a much more nuanced and detailed image of the country and the products it sells to the world. Especially its wines, which I am keen to sample."

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

"Learning about the range of topics covered in this year's EBC white paper was both daunting and encouraging. That there are still so many issues outstanding around EU-Japan trade, the Japanese business environment and structural reforms were somewhat overwhelming. On the

Gavin Blair talks to committee chairs about the latest EBC white paper 2015, page 16.



other hand, it made me think there would be no shortage of topics to write about for some time to come."

Tim Hornyak reviews the on-going scandal surrounding the bitcoin, page 18.



Tokyo journalist Tim Hornyak has covered technology in Japan for IDG News, CNET, Scientific American and other media, and is the author of *Loving the Machine*:

The Art and Science of Japanese Robots. He has also co-authored Lonely Planet's guidebooks to Japan and Tokyo.

"Is bitcoin the future of money? The digital currency has its proponents and detractors and certainly no shortage of criminal cases. Mt. Gox CEO Mark Karpeles presided over one of its biggest scandals with the loss of nearly half a billion dollars in bitcoin, yet seemed unperturbed. Now he's behind bars. Whether he was just another bad actor in bitcoin remains to be seen."



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Multi-lingual Economics graduate Yoshi Yamada worked at Restaurant Gordon Ramsay in Chelsea for 18 months before becoming head chef at Tempo, an Italian restaurant in the Mayfair section of London. He later spent five years cooking in top restaurants in Naples (2 Michelin star Don Alfonso), Sardinia and Florence.



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Climate change

The basic issue at the core of the global environment debate is one of balance. Humans consume resources, create pollution and destroy habitats. We have yet to achieve the level of responsibility that would allow us to coexist long-term with the other species on this planet.

Obvious enemies of the environment are ignorance, greed, waste and insensitivity. It is easy to be outraged by these. However, a less obvious foe is impatience, which spurs intolerance and extremism.

Patience is a precondition for the success of any attempt to educate, of each appeal against avarice, and of every plea for awareness. Dramatic demonstrations and protests have their place, but the real work is a step-by-step process of painstaking research, careful analysis and scientific application.

The 2015 United Nations Climate Change Conference, COP 21, has just



concluded in Le Bourget, France. Much of the discussion centred on an agreement to limit global warming to 2°C (3.6F). Why does this matter? When the Earth warms to 2°C above pre-industrial times, scientists say this will have a dangerous and unpredictable impact on our climate system. And we're already halfway to that danger point.

The time has come for decisive global action – before average global temperatures move beyond a “tipping point” of no return. If we fail, we will be letting down young people in every nation of the world.

Acting against climate change is clearly a human and environmental imperative, but it is also an economic opportunity for citizens, businesses and EU countries.

Lastly, please join me in welcoming Andrew Howitt, the new editor-in-chief for *EURObiZ Japan*. Andrew hails from Toronto, Canada and speaks fluent Japanese. 



Vickie Paradise Green
Publisher



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Sky high

Why foreign carriers pay more to land in Japan

Text **GAVIN BLAIR**

In one global ranking chart, Haneda, Narita and Kansai airports occupy the top three spots. Unfortunately for three of Japan's international airports, this is not for passenger satisfaction or facilities, but for the highest landing and parking fees which airlines pay for their planes. Some reductions have been announced in recent years, but most of these are targeted at the new low cost carriers (LCCs), which the government has been trying to attract to Japanese airports, leaving established operators still forking out significantly more than they do at other major hubs.

Despite the authorities pledging to make Tokyo more accessible in

the run-up to the 2020 Olympic and Paralympic Games, European airlines hold out little hope for meaningful reductions in the high fees. Those in the industry believe there is a danger of Japanese airports continuing to lose status in the face of stiff competition from major Asian hubs – Hong Kong, Singapore and Seoul's Incheon – with lower fees. Many believe they are also subsidising both the new LCCs and unprofitable local airports through the fee system, which is overseen by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

The high landing fees at Narita, where a new dedicated LCC third terminal opened in April, are also due to the extensive perimeter security (a legacy

of the battles that occurred with local residents when the airport was first constructed), says Swiss Air Japan country manager Noburo Okabe. Albeit the passport checkpoint on vehicles entering the airport – long criticised as meaningless, wasteful and time-consuming – finally ended earlier this year, he adds. Another factor, affecting all domestic airports, is the relatively high wages in Japan compared to countries like South Korea.

"We also assume the government raises money from the landing fees to subsidise loss-making regional airports, though no official will say that openly," suggests Okabe.

One manager at a European airline, who asked not to be identified,



suggested that, while the fees do heavily burden established carriers at the major airports, passengers pay in other ways elsewhere.

"The landing fees are said to be highest in the world. However, many other international airports charge very high airport taxes to customers. In Japan, the majority of the cost is paid by the airline," said the manager, while acknowledging that much of those costs are passed along to passengers in the end.

The central government manages 27 of Japan's 100 airports via the MLIT, which has now adopted an official policy of reducing landing fees, according to Geoffrey Tudor, a senior analyst at Japan Aviation Management Research.

"The announcement from Narita in February that it would be reducing landing fees for new services at airlines already using the airport is to compete with Asian hubs, especially Incheon and Hong Kong, but also with Haneda," says Tudor. "However, the fact that the government effectively owns both of

Tokyo's main airports can only be a barrier to real competition between the two."

The fee cuts are part of reforms being adopted as a step toward privatisation, according to Tudor, "This will involve the creation of a new business which can call the shots on landing fees. At the moment, those fees are not based on market principles."

Along with control of the allocation of landing slots, high landing fees were a "form of protection for Japanese airlines, though one they can no longer rely on," says Tudor.

The issue of landing slots is another long-term gripe among foreign airlines in Japan, though some note the country is hardly unique in that respect.

"ANA [All Nippon Airways] and JAL [Japan Airlines] do historically get the best slots, but that is something that happens with national carriers all over the world," says Swiss Air's Okabe.

For the time being, European airlines appear to have little choice but to continue lobbying for more prime slots and pay the high fees, or shift more of their operations out of Japan.

"Narita is the end of the line for us; and we've been here for 65 years, so our commitment to Japan is long term," says Leif Nilsson manager for Asia and Pacific at Scandinavian Airlines (SAS). "A lot of the US airlines do fly on to other

destinations in Asia, and Seoul's Incheon and Hong Kong have lower fees; Japan needs to be careful about this."

For SAS, "We rotate aircraft as soon as possible, so we don't get charged the high parking fees," continues Nilsson. "If you have a flight arriving in the middle of the night, that can lead to six to eight hours of parking fees, which is expensive."

Despite its lengthy presence in Japan, SAS has not yet been granted any slots at Haneda, nor has its Swiss counterpart or a number of other European operators. Although most international carriers are keen to expand their presence at Haneda, with its much closer proximity to central Tokyo than Chiba's Narita, it is the latter that is scheduled to have its facilities upgraded before the Olympics, according to Nilsson. In addition, he says the government has not yet announced any plans for a much-needed rapid transport link between Tokyo's two main airports.

Swiss Air's Okabe is not expecting any landing fee reductions in the lead-up to the 2020 Olympics, though he is at least hopeful for an expansion of the number of daytime slots at Haneda.

"In order to do that, they have to change flight paths; and with that there is the issue of noise, which the government has to settle with residents," he says. 



The real business of diplomacy

*Gunther Sleeuwagen,
Belgian Ambassador to Japan*

Text **EUROBIZ JAPAN**
Photo **BENJAMIN PARKS**

Belgium-Japan diplomatic relations may be celebrating 150 years, but the human connection that remains paramount today was initiated some 400 years ago.

Mr. Ambassador, you said you're new here. Can you give us a bit of your background?

I've been here for two months now. I was last posted in Brussels as the foreign affairs director for Eastern Europe. I was busy with Russia, the Ukraine, Turkey, and the Balkans, which was very interesting as a diplomat, but not always easy. So now being here, it's a world of difference. In Japan, everything is very stimulating thanks to the good relations we have. As I was preparing to come here, I quickly got a sense of the lively relations that exist between our two countries, with many people planning

many events – social events, academic events. There is a strong connection between our two countries, and it's nice as an Ambassador to work within these existing dynamics. At the embassy, we have to be the go-between and help things move smoothly, for example, by supporting people and institutions, and helping to nurture their activities.

What do you see as your prime initiatives as you assume this role?

Well, for us now, Belgium and Japan are celebrating 150 years of diplomatic relations. However, our connection goes back further. The first Dutch ship

arrived here some 400 years ago and there were Belgians on that boat. But we entered into formal diplomatic relations when we signed the treaty 150 years ago. We're very pleased with the attention that the 150 year celebrations are getting in Belgium, but even more so in Japan. We are so proud of our good relations.

We are now in the process of organising the 150 year anniversary. So there will be cultural events and concerts, high-level visits, political, economic and academic exchanges. A broad variety of events are being organised, both in Japan and in Belgium.





We are also working to promote tourism. ANA just started operating the non-stop direct flight between Tokyo and Brussels, and we welcome this. Even though we are going through some difficult times now in Europe, our countries, and especially Belgium, are stable countries and are still very safe to live in and travel to. We hope to see many Japanese tourists in Belgium and many Belgians in Japan.

Do you think the royal families' connections really help the relationship between your two countries?

Absolutely. These contacts are at the

highest level, and when these relations are very good, it helps everybody. Their connection goes back a long time and has continued into the new generation. This is confirmation of the excellent relations between the two countries.

I know European countries have been world leaders in diversity. What are your opinions on that issue relating to where Japan is at this point?

We try to work with Japan in many fields on multinational issues like climate change, human rights, migration. We're very happy about this cooperation. We are trying to extend

our cooperation with Japan, and they are trying to extend it with us in several fields. One of the fields where we feel we are very much like-minded is on human rights. We have a difference of opinion on the death penalty and we are working together to come to a common understanding on this. On all of the multilateral, global issues, we understand and cooperate with Japan very well, and we are trying to develop this further.

How has Belgium dealt with the ageing population problem, and what can Japan learn from that?

“

TAKING INTO ACCOUNT
THE CHANGING EVENTS IN
THE DIFFERENT REGIONS
OF THE WORLD, WE WOULD
LIKE TO SEIZE **EVERY**
OPPORTUNITY TO WORK
WITH JAPAN AS A PARTNER

”

It's an issue that we all are being confronted with in Western countries. We are dealing with it, and still learning. It attracts a big part of the budget. You have to be accommodating as a government; it's a new challenge in our society. You have to devote a certain amount of our workforce to it; and, as we see it, immigration has helped us in this field.

When we see the people working in nursing care facilities, we see a lot of different nationalities. They're helping very much. But the most important part, I think, is to get your society ready mentally – that there are a lot of old people whom you have to care for. It's a mind-set you have to help them develop. That is a big responsibility of our governments. Yet it's also a nice thing – you see so many people growing old. I'm quite surprised to see so many old people in Japan doing their daily shopping, especially in Tokyo, which is such a huge metropolitan city.

Science and technology are big in Belgium as well. Are there areas

where you would like to see continued cooperation between the two countries?

Yes. There are so many fields where we are working with Japan. We are collaborating with Japan on R&D in science and technology, specifically life sciences, pharmaceuticals, and nanotechnology. These are the areas where we have a competitive advantage over many of the other countries throughout Europe. It's in R&D that we are increasing our productivity and the quality of our products.

What's Belgium's perspective on the on-going free trade agreement with Japan?

Well, you know, the EU is still the biggest trade market in the world; and for our part, as Belgium, we are one of the main exporters. So that means international trade is very important to us. We follow the EU policies very strictly on that, and we're very confident in the way the EU is dealing with the trade negotiations. We are very happy with the agreement that Japan struck within the region and with the US on

the TPP [Trans-Pacific Partnership]. And now we're looking forward to an early conclusion of our own bilateral negotiations. But there's one major difference: as part of the EU, we would prefer to go beyond the TPP level. We are seeking for much more cooperation with Japan in the areas I've already mentioned, in the commercial-economic field and beyond. Taking into account the changing events in the different regions of the world, we would like to seize every opportunity to work with Japan as a partner.

China is a major trade bloc in the world; and you have to respect that. And we welcome China as a part of international trade, underlining that the basic rule is free trade. However, Japan plays a pivotal role in international trade and its regulation. We rely heavily on cooperation with Japan, especially now in light of the coming change to the G7 presidency. Anytime is fine for us to conclude these negotiations – as long as we reach a substantial agreement. And the deal is not just about trade; it's about strategic cooperation.





Golden opportunity

EBC 2015 white paper

Text **GAVIN BLAIR**

The publication of the EBC 2015 white paper may engender a sense of déjà vu on a number of fronts. As when the 2014 paper was issued, Japan had just slipped back into recession, albeit a mild, technical one consisting of two consecutive quarters of 0.2% contraction. Meanwhile, despite some steps in the right direction, a number of the major issues on which the EBC had been calling for reform remain unresolved.

This year's paper of 30 chapters, each by an EBC committee, gives updates on the Japanese business environment, recommendations for reform and, in some cases, the committee's priorities for an EU-Japan Free Trade Agreement (FTA). The recent concluding of the TPP

[Trans-Pacific Partnership] is hoped to put some momentum behind the talks on the EU-Japan FTA, though the negotiations remain a work in progress.

Some observers will point to a link between the lack of many of the changes the EBC white paper recommends and the anaemic economy. There is also a similarly continued absence of many of the 'third arrow' reforms promised by Prime Minister Shinzo Abe's administration.

The annualised GDP contraction of 0.8% is against a backdrop of a working-age population declining by 1.5% a year. Although put in that context, the economy's performance is a relatively resilient one; the very issue of population and workforce decline is one the government has long been urged to address.

The labour shortages in the construction industry have been making headlines in the Japanese media in recent years. The topic hit the news again when they were cited as one of the major factors in the sharp rise in costs for the rebuilding of the national stadium, leading the original design of the Tokyo 2020 centrepiece to be scrapped.

Construction Committee chair Valerie Moschetti believes government initiatives in the areas of training and immigration are essential to remedying the problem.

"Training is very important to revitalise this sector; there are needs for more qualified people in a number of areas within the industry," says Moschetti.

Pressure on the labour market is



expected to continue to rise due to demand from ongoing rebuilding in Tohoku, along with Olympic-related projects, against the background of a shrinking working-age population. The length of time foreign trainees can work in Japan has been extended from three years to five under the Japan Revitalization Strategy, and some initiatives have been implemented to encourage greater female participation in the workforce. However, despite the shortage of workers that extends far beyond the construction industry, the immigration solution remains a political hot potato.

"There has been some progress with extending the trainees' stays, but it doesn't resolve the problem, and it needs to be addressed by politicians; so

far there is no clear message that they want to open the doors. They are only talking about letting in more high-level people, but there is a need for more ordinary workers, too," says Moschetti.

Another long-standing issue that is felt acutely in the construction industry, but reaches across numerous sectors, is the awarding of contracts for public projects and procurement. While there has been some improvement, a blend of often-opaque criteria and tendering processes, onerous regulations – and good, old-fashioned parochialism – mean overseas firms are still disadvantaged in bids to provide goods and services to public entities in a way that Japanese companies in the EU are not.

"If you look at work related to the [Tokyo 2020] Olympics, not many foreign companies will participate, so you can't say there's been much progress," notes Moschetti.

The Tax Committee, chaired by Hans-Peter Musahl, reports some progress, some inertia and some new challenges. The committee welcomed the reduction in the corporate tax rate, saying it would help make Japan more competitive and attractive for investment. The tax treaties with Germany, Holland, Switzerland and the UK – which work towards avoiding double taxation and withholding tax on dividends – were also cited as steps forward.

There have been, though, no moves to ease the logjam of work created by tax returns having to be filed on 15 March, noted the committee, with huge amounts of overtime logged in the period leading up to the date. The associated long, unsocial hours that make life difficult for working mothers also runs contrary to efforts aimed at increasing female workforce participation.

The government's My Number system, due to start in January, is important for battling tax evasion, acknowledged the committee. But its implementation is not being executed well, says Musahl. "There is so much tedious bureaucracy and so many uncertainties; it's created a monster of an administration burden that is making companies suffer."

The exit tax and inheritance tax, for which there are separate and differing tests of residency, are of great concern to foreign workers in Japan, according

to Musahl. There are worries that these may make investing and working in Japan less appealing for overseas companies and their personnel. Discussions with the Japanese authorities are on-going, according to Musahl, who says the EBC's aim is to make sure that "80 to 90% of foreign workers, except long-term residents, are outside the scope of the inheritance taxes, especially as regards overseas assets".

Another tax-related matter that makes Japan less attractive as a destination for investment is the lack of relief on R&D expenses. If R&D is carried out in Japan, but expensed at headquarters – which is the case for many foreign firms – no tax relief is available.

Asset Management Committee chair Nicolas Sauvage is also worried about Japan's competitiveness and attractiveness, particularly losing out further to Hong Kong and Singapore. However, he sees Japan's signing of the Asia Region Funds Passport (ARFP) this past September as a sign "that the globalisation of the Tokyo platform is on the agenda". The ARFP aims to increase cross-border investment in the region and contribute to the development of its capital markets.

The committee also welcomed the new stewardship and governance codes that the Abe government has introduced as part of initiatives to boost return on investment, encourage innovative risk-taking and avoid corporate scandals.

"We have already some visible evidence of the impact of the two codes, such as in the improved overall proxy voting process, the percentage increase of outside directors," says Sauvage. "Foreign asset managers have an important role to play in fostering productive dialogue with Japanese corporations."

The title of this year's white paper is "Golden Opportunity"; and there is hope that 2016 will be the year the EU-Japan FTA is finally concluded. EBC chairman Danny Risberg concludes his opening message in the white paper with a call to grab that opportunity.

"We believe that such an agreement, while challenging, is possible and increasingly within reach. [The year] 2016 presents a golden opportunity to bring negotiations to a successful conclusion; we urge the authorities on both sides to seize it." 



METALS BITCOIN
PERIPHERALS
THE

Vanishing act

How Mt. Gox crashed and burned

Text **TIM HORNYAK**

It was one of the most sensational technology news stories to come out of Japan in 2014: on the last day of February, Tokyo-based Mt. Gox, an online exchange for trading digital currency, collapsed in spectacular fashion. CEO Mark Karpeles appeared at the Tokyo District Court to apply for bankruptcy protection. The Frenchman bowed before reporters in an awkward, ritual Japanese apology. He said he had “caused trouble”; an absurd understatement considering nearly half a billion dollars’ worth of bitcoin had been wiped out from Mt. Gox — and some customers were calling for Karpeles’ head.

Mt. Gox said hackers or a software bug might have been responsible for the disappearance of some 850,000 bitcoins, of which 100,000 belonged to the company and 750,000 belonged to customers. Investigations later found 200,000 coins in Mt. Gox storage, but the remaining 650,000 coins have yet to be found, and now they’re worth about \$195 million.

To outsiders, it was a bizarre spectacle, but a brief overview of bitcoin can help make sense of it. Developed as

open-source software, bitcoin is a digital currency that’s seen as a store of value and a way of making payments without banks and high fees. You can buy bitcoins anonymously with real money and buy goods and services with bitcoin at participating providers. What makes bitcoin interesting is that it relies on a decentralized network of computer servers for transactions and verifications. The public ledger of confirmed transactions is called the blockchain. Advocates say the blockchain will transform finance just as the World Wide Web made publishing decentralized and cheap.

Launched in 2009, bitcoin began to gain enthusiasts and the value of one coin jumped from 30 cents in 2010 to \$13 by the end of 2012. This attracted developers like Jed McCaleb, who repurposed a trading cards website he had built into a vehicle for bitcoin; Mt. Gox was short for “Magic: The Gathering Online eXchange.” Mt. Gox began to really grow after McCaleb sold most of it to Karpeles in 2011. The portly, apple pie-loving software developer from Dijon was a computer prodigy as a child, moved to Japan in 2009 and set up a holding company for his ventures >

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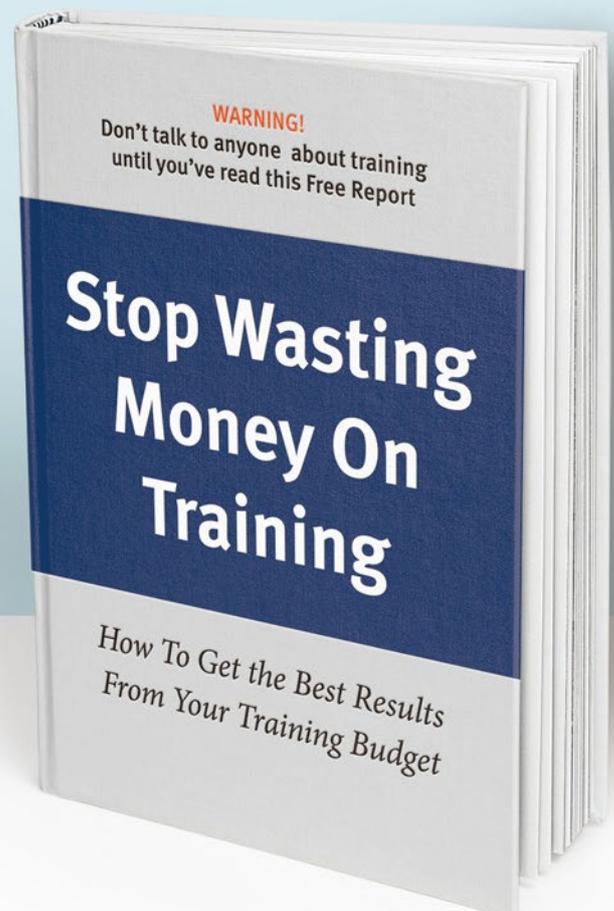
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called Tibanne, named after his cat. A year later, a Paris court convicted him in absentia of hacking.

As Mt. Gox grew to become the largest trading house for bitcoin in the world, the currency exploded in 2013 – it jumped to \$100 before skyrocketing to about \$1,000 in November. Meanwhile, as many as 20,000 new users per day were flooding into Mt. Gox, and the small company struggled to cope. Not only was it trying to get tradition-bound Japanese banks to understand its business and process requests involving conventional, or fiat, currency, it faced the very real threat of cyber attacks. In 2011, thieves had apparently siphoned \$8.75 million worth of coins from Mt. Gox and in 2013 its website was being hit by repeated distributed denial-of-service (DDoS) attacks.

In early 2014, things came to a head. Customers complained of being unable to withdraw funds from Mt. Gox and the site shut down trading, blaming a bug in the basic bitcoin architecture that could be exploited for fraudulent purposes. A handful of protesters gathered to demand their money in front of Tibanne's office in Shibuya, where Karpeles had planned a bitcoin café. Meanwhile, a leaked online document that appeared to have been written by Mt. Gox consultants said thieves had hit the exchange for years and that 744,408 bitcoins were gone. On February 28, Mt. Gox went bust, saying ¥2.8 billion in client funds was gone.

Karpeles went underground, his @MagicalTux account on Twitter inactive, and rumors swirled that he'd fled to Canada. Meanwhile, lawyer Nobuaki Kobayashi, appointed to administer the Mt. Gox bankruptcy, recruited accountants and bitcoin firm Kraken to help trace the coins and process creditor claims. Police began a slow-moving probe into the tangled mess of bitcoin movements among over one million Mt. Gox customers.

When Karpeles did emerge from the shadows, he was calm and confident,

maintaining his innocence and refusing to talk about the missing coins. "I cannot apologise enough for what happened," Karpeles told me in late 2014 at Tibanne, which has since closed. "While I believe I did everything I could do to prevent this from happening, it still happened. Right now, I'm trying to do my best to cooperate with the bankruptcy process and the ongoing investigation."

Tokyo investigators saw things differently. In August, the CEO was arrested and later charged with inflating the value of his own Mt. Gox account. He has since been rearrested several times,

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IF ANYONE
KNOWS **WHAT**
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IT'S KARPELES

”

most recently for allegedly moving about ¥20 million of client money into his own bank account. Japanese media also quoted investigators as saying the CEO had spent embezzled funds on personal indulgences such as a luxury canopy bed and prostitutes.

"I'm glad to see that these charges are being brought, but the ¥20 million is only a small fraction of the total amount which the bankruptcy trustee claims he owes from his personal account," says Kolin Burges, a customer who had picketed Mt. Gox before the bankruptcy. "There are still many more things to cover such as the unexplained

missing fiat money and bitcoins, and the continued acceptance of customer deposits into what he surely knew was a fraudulent exchange."

Amid a dearth of police explanations, other frustrated Mt. Gox users are trying to find out exactly what happened to the coins. Based on an analysis of Mt. Gox trade data released by hackers, Kim Nilsson of Tokyo-based bitcoin security group WizSec believes that coins had been plundered from Mt. Gox beginning in 2011 and were nearly all gone by 2013. But it isn't clear who controlled accounts that siphoned funds or what their motivation was. What's worse, at least one automated bot was buying and selling bitcoins with nonexistent funds.

Furthermore, massive transactions involving hundreds of thousands of bitcoin were uncovered in one account – but it was buying back bitcoin at the inflated prices of 2013. Nilsson, who questions whether Mt. Gox ever really had as many coins as claimed, likened that to the exchange trading with itself in a very bad deal.

"As for exactly how much went missing via theft and how much went 'missing' via inflated balances I can't tell for sure yet," says Nilsson, a Swedish programmer. "I doubt the legal system will ever provide answers about the bitcoins, nor are they terribly motivated to do so. The bankruptcy will proceed slowly and will eventually distribute whatever is left and hasn't been spent yet, and will leave everyone unsatisfied and without answers. Unless they are forced to provide answers, they have no reason to dig for them."

If anyone knows what happened to the missing bitcoins, it's Karpeles. He has continued to deny wrongdoing but could face 10 years in prison if found guilty of embezzlement – and Japanese prosecutions have a conviction rate of nearly 100%.

MagicalTux, the computer genius and onetime bitcoin king, seems to have run out of tricks. 🕒

☺☺ Do you like natto?

Time spent working in Japan:
12 years.

Career regret (if any): None.

Favourite saying: "If you look after your staff well, they will look after your customers. Simple."
— by Richard Branson

Favourite book: *Good to Great*
by Jim Collins.

Cannot live without: Love.

Lesson learned in Japan:
How to accelerate people's professionalism.

Secret of success in business:
Love and teamwork.

Favourite place to dine:
Isola Del Nord in Mita.

Do you like natto?: Yes!



Junnosuke Dojo

Motivating people

Text **DAVID UMEDA**
Photo **KAGEAKI SMITH**

Back in 2000, Junnosuke Dojo, country general manager of TNT Express Worldwide, started his global career with a logistics service provider in Hong Kong. "I still remember the excitement of new challenges," he recalls. Moving on to Taipei and Shanghai is where Dojo was immersed in a multinational culture.

"Those eight years are still having a strong impact on my career," he says. "I could fit into a performance-focused, teamwork culture at a Western-based company."

Dojo discovered after winning a big well-known project in Shanghai, for example, that as project leader he could work with senior management, product management and others as one team, to realise success.

"This experience was a great gift in my career," he observes. "It made me understand the delight of teamwork, and has become the basis for my general management style."

A style, by the way, that is certainly put to the test these days.

"Although it is improving with the economic recovery, Japan's export

market is still slack today," points out Dojo. "Our focus is on the existing and new business of SMEs [small and medium-sized enterprises], which have been supporting the Japanese economy base for many years."

TNT Express Worldwide offers products in clusters, which support its customers' business and supply chain through reasonable cost and transit time. "These strategies are working well today, and will support further growth in the future," he says.

Dojo is very upbeat about the potential of free trade agreements (FTAs).



"We are expecting to see more trading accelerated by FTAs in which Japan is involved," he adds. "Our customers will benefit from TNT's unique networks". These include the European Air/Road Network, the Asia Road Network, and the Middle East Road Network.

"We contribute to the business growth of countries with strong domestic coverage, such as France, Italy, the United Kingdom, Brazil, Chile and Australia," he continues.

In a globalised economy and fast-changing market, TNT Express Worldwide responds promptly to

offer value to support its customers' businesses and supply chains. Our global service network provides one integrated door-to-door service," he explains. There is visibility on every shipment through online tracking.

"All these have been established and built on The People Network, which has been our slogan since 2014," he says.

There are specific products and services that TNT Express Worldwide emphasises here in Japan.

"We provide clinical services, which transport investigational new drugs and samples for laboratory testing,

which are time critical and need extra care.

Dojo says his personality is a perfect fit for the business.

"As many people know, I am what you call a festinate person," he articulates. "So I make decisions quickly and want to see results shortly."

Coupled with his teamwork regimen, Dojo believes these two personality traits continue to serve him well in his capacity as country general manager.

"My message to the local team remains unchanged," he explains. "Let's stay honest, humble and hungry!" 

Austria

Japan concluded in 1869 the Treaty of Amity and Commerce, establishing diplomatic relations with Austria. Besides the Austrian Embassy Tokyo, there are honorary consulates in Hiroshima, Nagoya and Asahikawa, and an honorary consulate general in Osaka. The Austrian Business Council (ABC), founded in 1996, represents the Austrian Business Community in Japan, providing a network for mutual exchange of information, enhancing communications and deepening relations, and enabling efficient lobbying work via the EBC.



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Michael Otter

Austrian Business Council

www.abc-jpn.org

Text **STEVE MCCLURE**



Michael Otter wants people to know that there's more to Austria than Mozart and mountains. A lot more, in fact.

Otter is the executive director of the Austrian Business Council, which represents the Austrian business community in Japan, and is also commercial counsellor at the Austrian Embassy in Tokyo.

Otter has been a busy man lately, promoting various Austrian products in Japan with the slogan, "Surprisingly Ingenious". He points out that, while Austrian brands such as Red Bull (beverages), Swarovski (crystal), Fischer (winter sports) and Doppelmayr (chairlifts and cable cars) are well known internationally, the central European nation has many "hidden champions". These are companies that are leaders in their respective fields, but of which the average consumer may be less aware.

One example is Austrian engineering firm, Geislinger, which makes devices that control torsional vibrations caused by crankshafts, camshafts and propeller shafts.

Otter says the Alpine nation also has a strong presence in forestry management and wood products.

"Austria is one of the world leaders when it comes to cross-laminated timber," he explains, adding that Austrian firms are also in the vanguard of developing forestry waste products as a source of biomass energy.

In the city of Nagano in early November, about 40 Austrian companies took part in a conference to explore alternative energies – especially biomass – regarding forest technology and environmental solutions.

"We've been working with Japan for 10 years in the forestry field," Otter says, noting that this shows how foreign

companies can help revitalise regional Japanese economies.

Last month, Austrian food and beverage companies also held a trade event in Tokyo, entitled "Taste of Nature".

"What makes Austria special is individual production by small farmers," Otter elaborates. "You have guys who go into the barn in the morning, and they know each of their 10 cows by name."

Otter applies this example as an explanation of how to market products in the Japanese market – by crafting and telling a story that goes with the product, so that it sticks in the consumers' mind.

“BY CRAFTING AND TELLING A STORY THAT GOES WITH THE PRODUCT”

He also takes pride in Austria being famous for its white wines, noting that there are no fewer than 25 importers of Austrian wines in Japan. Grüner Veltliner is the country's best-known grape variety here. It's also worth noting that Austrian company Riedel successfully crafts and markets some of the most popular high-end wine glasses in the world.

The country also produces what Otter calls "niche-niche" products, such as caviar and pumpkin seed oil. Furthermore, Austria exports jam and cheese. Unfortunately for the consumer,

the country's famous pastries don't travel nearly so well – albeit Austrian-style "konditorei" cafés can be found in several major Japanese cities.

Otter explains that railways are another important component of the Japan-Austria trade relationship.

"Austria is a railway country like Japan," he points out, indicating that Austria has lots of tunnels and mountains – just like Japan. And Otter notes that many Austrian cities use streetcars as part of their mass-transit systems.

Austrian company Plasser & Theurer, which makes railway maintenance equipment, has been doing business in Japan for 50 years, for example.

Several Austrian firms from the railways sector recently took part in the Mass-Trans Innovation Japan trade fair at the Makuhari Messe conference centre in Chiba prefecture, just east of Tokyo. Held every two years, it's one of the biggest railway expos in Japan.

"Austria was the first country with its own pavilion," Otter notes proudly. "We are very happy with the results."

Next on Otter's agenda is setting up an event for March 2016 that will see Austrian company reps come to Japan to talk to Japanese firms about R&D cooperation and innovation. He says big Japanese companies have begun to realise just how important it is to anticipate new "disruptive" technologies that can change the rules of the game in their industries overnight.

Austria is a classic example of a small country that "punches above its weight" in the international arena. The country looks set to continue its winning ways in the future with its combination of high-value-added products and enthusiastic trade-promotion officials, such as Otter. 

Get involved

Some 300 of the over 2,500 affiliated local European companies and individuals participate directly in one or more of the EBC's 29 industry committees covering a wide variety of economic sectors.



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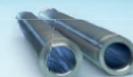
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Business and friendships

The Ireland Japan Chamber of Commerce Business Awards, 19 November, 2015

Text **DAVID MCNEILL**
Photo **SHIGERU MATSUZAKI**

Pharmaceutical behemoth Takeda might not ordinarily be found in the same room as Plankton, a small music promoter perhaps best known for bringing traditional music bands from Ireland to Japan. Both have worked for years to promote the development of business and cultural ties between the two island nations.

The Chamber's 6th Annual Business Awards were a chance to note the achievements of these very different firms, along with a third: Openet, a Dublin-based supplier of real-time business support systems to communication providers across the world. The event, in the Roppongi Hills Club on the 51st floor, was also an opportunity to have a few drinks. As emcee Dermot Killoran quipped: "The Irish can do social very well. We invented Guinness and whiskey ... spelt with an 'e'."

The remit for the annual event, explained Gerry Mulligan, IJCC president, is to reward and recognise companies that are making exceptional contributions on both sides. The emphasis is on business, but there is plenty of room for an appreciation of language and culture, he adds. "We're looking for companies that are trying to build bridges between our two countries."

Takeda, as its vice-president of global manufacturing and supply for Japan and Asia, Yoji Ishii, noted, has an 18-year history in Ireland. It first set up in Bray, outside Dublin, and now employs about 300 people in Ireland, making drugs for hypertension, diabetes and other conditions, mainly for export. That's a small but important part of the company's ¥1,800-billion global business.

The main attractions of Ireland, said Ishii, were its labour force and liberal tax regime, and its proximity to the European market. In 2002, the company built its first overseas manufacturing centre for active pharmaceutical



ingredients in Dublin, and it has since weathered the economic storm of 2008-9. Takeda was an obvious choice, says Mulligan. "We look for companies that have shown commitment."

Openet represents a standout Irish company that is succeeding in Japan. Despite being just a corporate spring chicken compared to the 234-year-old Takeda – it was set up in 1999 – Openet's software is operated by more than 600 million mobile telecom users around the world. "It's a great Irish success story," says Kieran Quigley, the company's country manager. Among its local partners is the huge NTT Group.

Plankton, meanwhile, has established a long connection to Ireland since first bringing traditional music legends, The Chieftains, to Tokyo in 1991. Over two dozen Irish acts – including Altan, Donal Lunny, Lunasa and Sharon Sharron – have followed.

Plankton's beaming president, Keiko Kawashima, said she "couldn't believe" that her company was being feted in the same room as Takeda. "We are only a small business, but we are so honoured to be recognised for our work with Ireland," she said. To celebrate, her

team is organising The Chieftains' next Japanese tour, their 11th.

The Ireland Japan Chamber of Commerce is just seven years old, but represents over 100 members, including the Toyoko Inn Group; Takeda; Conrad Hotels; and Diageo, the multinational beverages company. Toyoko recently made headlines in Ireland when it bought the 101-hectare home of former Taoiseach Charlie Haughey. The family-owned chain operates about 250 budget business hotels, mostly in Japan. It is expanding in Europe with plans to open outlets in Frankfurt and Marseille, using Ireland as a base.

Ireland's Ambassador, Anne Barrington, said she hoped that other Japanese companies would consider investing in Ireland. She talked up the country's recent recovery, noting that the economy grew 5% last year and is set to expand 4% this year, the best performance in the European Union. Japan is still Ireland's largest source of foreign direct investment from Asia, she pointed out.

"I'd like to believe that's what we're celebrating here this evening: business success," said Mulligan. "But equally as important, the relationships and friendships that are created as a result." 

Forum for Expatriate Management: First successful chapter in Tokyo!

The first FEM meeting, entitled “Measuring the Return on Investment of Expatriates’ Mission”, marks the beginning of an annual series of four events a year in the capital. FEM events aim at gathering and sharing information about international assignees’ management.

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Have you ever wondered what the costs and benefits of expatriation are, from the assignees’ and also their company’s point of view? Is it really less costly for companies to welcome an expatriate than to hire locally?

On Thursday, 26th November, the first event of FEM (Forum for Expatriates Management) was held, led by Milena Osika, in Sales Development at UniGroup Sterling Japan, and Richard Phelps, an independent consultant. The purpose of this first meeting was to discuss the aforementioned questions, in order to help professionals dealing with this tricky subject at their workplace.

With attendees from diverse industries and many positions represented, a wide range of business issues were discussed. These included issues such as the financial cost and return on an international assignee for their company, and relocation-oriented problematics, such as the impact that a family’s integration may have on an expatriation’s success.

Guidelines have been provided in order to choose the right metrics, and track and use them in an appropriate way.

This free event was by invitation only. For those of you who missed it, here is a summary of the advice given

to build and track powerful metrics in order to assess the “return on investment of an expatriate’s mission”, should this mission be yours or one of your employee’s.

First point: figure out what kind of metrics really matter, depending on the mission’s requirements (i.e., filling a gap in skills, developing a new branch, etc.) – as costs and competence sharing may not always have the same level of importance.

Second point: think about what success means for both the assignee and the business, in financial and non-financial aspects, with clear objectives (i.e., specific, measurable, attainable, realistic, and timed). Define for each objective the time, cost, quality, quantity and human reaction – five components which will allow for relevant and easy-to-use metrics.

Third point: build a timeline to track the evolution of your metric, and prepare your strategy to be able to improve the figures whenever they go down, with the aim of retaining the assignee after their international assignment (otherwise, isn’t it like letting go of your investment?).

Last but not least: Keep the metrics you are using very simple, and try to select the ones that really matter the most for you and your business.

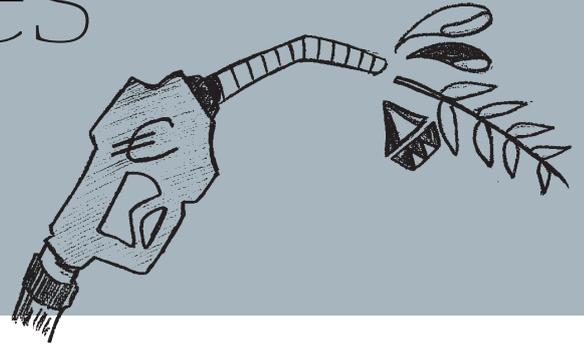
Following the success of this first event, the next has been planned for February 2016 (details to be announced on the Tokyo chapter’s page, on the Forum for Expatriate Management’s website).

For more information about the FEM Tokyo chapter and/or participating in the next event, feel free to contact Milena Osika, milena.osika@femchapters.com



Commodities

Is the cycle about to turn?



The Bloomberg Commodity Index is down by a half from its last peak, in May 2011. The twin problems of over-supply and weaker-than-expected Chinese demand growth have taken their toll on prices. But the impact of these bearish themes may be about to fade. Investors who have been deterred by years of falling prices may want to reconsider this asset class, which history suggests is a useful diversifier.

Investors should always have some exposure to commodities, because they are a good portfolio diversifier. The prices of metals, energy and foods – and the share prices of the quoted companies that produce them – tend to move in a different cycle from broad equity and bond markets. Therefore, commodities help to smooth out an investor's overall return.

Intuitively, we know this to be the case: the rise of commodity prices in the early 2000s coincided with dog-days on global stock markets, while the rally on developed stock markets in recent years has occurred against a background of falling commodity prices.

The JP Morgan *Guide to the Markets*, October 2015, calculates the correlation between the Bloomberg Commodity Index and the S&P 500, over the 10 years to September 2015, to be at 0.55 – where 1 is a perfect correlation, and zero is perfectly uncorrelated. This is a lower degree of correlation than, perhaps, the more obvious diversifiers such as emerging market debt or non-US global stock markets. Meanwhile, a correlation of -0.17 between commodities and US investment-grade bonds suggests a slight negative correlation, demonstrating that commodities complement bonds extremely well.

After several years of falling commodity prices, many of us probably are now underweighting the sector compared to where we should be in a well-balanced portfolio. A period of stability in commodity prices will help us overcome that rectitude. Many analysts suggest having pure commodity exposure at around 4% of an investor's overall portfolio.

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INVESTORS
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COMMODITIES
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A second reason to maintain exposure to commodities is as a hedge against inflation. Commodities are “real” assets; they have an intrinsic value, and so act as a store of wealth. With inflation at, or near, zero in so many major economies, this may seem a faintly surreal issue. But the extreme level of money creation conducted by central banks in recent years creates unease in many economists brought up on textbook monetary theory.

Why might prices be close to bottoming out? A decade of broadly rising commodity prices fuelled excessive investment in new production. Prices in many commodities in recent years have been falling – now below the cost of production for many higher-cost

producers. This is leading to production cutbacks. Global mining giant BHP announced cutbacks across a wide range of raw materials in July, and in October Glencore announced a reduction in output of a range of materials, including a third in its zinc output – equivalent to 4% of global production. Countless smaller companies and units of larger ones are quietly mothballing unprofitable capacity, and so helping to bring output in line with demand.

Certainly, there remains the near-term risk of a hard landing for the Chinese economy. But given Beijing's commitment to ensuring economic stability, it is likely that increased government spending and lower interest rates will be used to prevent this. Indeed, Chinese officials apparently spent much of the time at the October IMF meeting reassuring other delegates that they will do everything necessary to maintain current GDP growth rates.

Commodity prices have fallen so far, so quickly, that some investors are speculating a strong rebound is likely once the bearish themes fade. This may be overdoing it. A period of consolidation at today's price levels is more likely, particularly given large stockpiles of many commodities around the world. These will be used up as prices recover, dampening any rallies.

However, a return to stable, and possibly mildly rising prices will be as welcome to investors who are seeking to diversify their portfolio in a sector that has historically proved to be a reliable source of diversification. ☺

TOM ELLIOTT is an international investment strategist with the deVere Group in London.





Retail & Wholesale//

Avoiding unnecessary duplication

Text **GEOFF BOTTING**

A button – the kind you find on your clothes – is usually a simple and straightforward item. But for global wholesalers and retailers operating in Japan, small buttons can be the cause of big complications.

The issue is over the materials used. Some substances are controlled for health and safety reasons, especially on children's clothing.

"If we are talking about lead content, for example, the standards are quite uniform between the EU and the US. But Japan has slightly higher standards," explains Francesco Formiconi, chairman of the EBC Retail Committee, citing just one example of the various issues with which his group deals.

So buttons containing lead need to be specially tested for Japan, even after they have already been proven safe for the EU and US markets.

The duplicate testing can cause delays and additional expenses, "adding cost to the consumer," Formiconi says. If that weren't enough of a deterrent,

Retail & Wholesale Key advocacy points

- **Testing and approval** - Japan and the EU should work on a framework by which they accept each other's regulations on product testing and approval, doing away with the need for duplicate testing.
- **Labelling** - The Consumer Affairs Agency should start work as early as possible on reforming the Household Goods Labelling Act.
- **Anti-trust** - The Japan Competition Law should be harmonised with global business practices with bright-line rules.

some department stores even have their own stricter standards, unrelated to government regulations.

Buttons are only one of a host of products handled by European wholesalers and retailers that require reams of red tape before they make it on the store shelves. "We have worldwide supply chains," the committee chairman

points out. "So every customisation we need to do for a specific market creates additional costs and complication in this supply chain."

The call for harmonised testing and approval standards is a major advocacy issue for the committee. Some progress has been seen. Japanese authorities have agreed that products can be tested and certified at some designated overseas testing facilities.

"In the past, certification could only be done once clothes arrived in Japan. And so we would have some delays. It would take two or three weeks for the products to be certified," Formiconi says.

But many other issues remain.

A lack of harmonisation exists on ceramics, glassware and enamelware. Standards in the Japan Food Sanitation Law, for example, vary from ISO standards, which are commonly accepted throughout the world. The discrepancies can lead to extra costs for companies as they are forced to conduct further testing. In the end, it's the Japanese customer who pays the price.

Well dressed >

*Scarves make a
fashion statement*

Text and photos **TIM MAUGHAN**



Autumn sunshine strikes the grey stonewall of Grand Front Osaka, an airy business and retail complex in the chief commercial zone of Japan's third-largest city. Light dances off a large water feature. Then David Bateman, co-owner of Kobe-based clothing company Yarn and Copper, unfurls one of his favourite creations – a striking silk scarf adorned with motifs of British pop culture. The scene is one of striking colour and bold design.

Bateman, from Dover, southern England, established Yarn and Copper in 2012. "Yarn is the material that is the composition of clothes – thread, basically. And the copper is the ring that we sell, which we manufacture ourselves. It is like a cub scout woggle, which makes it easier to wear the scarf," he explains.

Bateman, who is a trained artist, had created a series of murals in the Kansai region, before setting up the company. He realised that such works could be transferred to garments.

"I came up with the idea that a scarf could be like a kind of canvas. So when you open it up, it would be a piece of art, which people can wear. It all spawned from my art background," explains Bateman.

The two garments in front of me are stunning, with a luxurious feel to them. Ai, Bateman's Japanese wife, has a background in clothing distribution. A contact of hers, the boss of a clothing distribution firm, suggested that Yarn and Copper garments be moved through his supply chain. It was only a matter of weeks that new scarves – which he had worked on first using a computer, then had the designs sent to the manufacturer – were hitting the shops.

Three years in, after a process of trial and error in securing the right manufacturers and such, the production and distribution process has settled into a routine. He emphasises that specialists are needed: different lines are made at varying Japanese factories, based on each's strength.

Today, the Yarn and Copper range also includes T-shirts, bags, dresses,



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YARN IS THE
MATERIAL
THAT IS **THE**
COMPOSITION
OF CLOTHES
”

shirts and scarves. "And we have just started doing babies' bibs," he adds.

Fashion is a notoriously fast-moving business, and so Bateman has to not only come up with new designs, but also throw himself forcefully into the limelight. He and Ai hold four exhibitions a year, in showrooms rented by their distribution company.

For example, the Yarn and Copper design a new selection of scarves. Samples are then made, which are displayed at an exhibition. Buyers, warming to the products, may then place an order for 500 garments. With the deal done, Bateman then pays the manufacturers to make the clothes. Around 30 separate Japanese retailers stock Yarn and

Copper products, and such an enterprise, in turn, may have up to 20 branches.

Bateman and his wife – stressing that their enterprise is very much a 50/50 concern, with Ai playing a vital role in the business – don't have to worry about the complexities of running a shop, or how the clothes will sell, because the clothes are then the property of the retailer.

In a push to break into foreign markets, the Batemans will exhibit Yarn and Copper items at an overseas fashion show. They are weighing up the most suitable event to attend; but wherever they choose, it will mean a long haul flight to either Copenhagen, Berlin, Paris or New York. 

Tradition meets Modernity

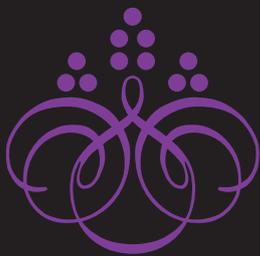


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Magnificent Gay Weddings



Embracing the LGBT community

Measuring business response

Tokyo's Shibuya and Setagaya districts this year took steps towards recognising same-sex partnerships as the equivalent of marriage. We thereby witnessed two of Tokyo's most populated wards starting registration processes for same-sex partners that give eligible couples some of the rights enjoyed by married heterosexuals, including hospital visitation rights and co-signing of tenancy agreements. Though certification is not a marriage license and advantages are still limited, many hope that these moves will be first steps toward recognising same-sex partnerships at the national level.

Earlier this year, Ken Hasebe, 43, ran as an independent in Shibuya ward's local election and became elected mayor of that district. Because Hasebe stood apart from his two election rivals as a vocal and early supporter of same-sex partnership certificates (even since his days as an assembly member), the race was in some ways seen as a first-ever local referendum on the issue in Japan.

Shibuya has a relatively young population, and that translated to public support on the issue. In a 2013 survey by the Pew Research Center, 83% of Japanese between the ages of 18 and 29 said that "homosexuality should be accepted." That is more support than the same age groups afford in the UK, the US, and China, which stand at 79%, 70%, and 32%, respectively. Sankei newspaper and Fuji News Network (FNN) also conducted a survey on same-sex partnerships, finding that more than 60% of respondents overall supported them. Conversely, the majority of Japan's over-60 male population opposed the Shibuya bill.

Japan's business community has also started to court the LGBT community. Dai-ichi Life Insurance, the number two life insurer in Japan, announced coverage for same-sex couples and a comprehensive human resourcing policy for LGBT employees, which includes benefits such as corporate housing and paid leave programmes. Other insurance companies, such as AXA Life and Nippon Life, followed suit. My organisation, Deutsche Bank Group in Japan, is in the process of expanding benefits to same-sex couples as part of its HR policy.

IBM Japan and several NGOs hosted an LGBT work place equality conference called "Work With Pride" this year in November at Recruit, the nation's top staffing service firm. Some 400 HR professionals from 260 corporations participated, a doubling of last year's turnout. KDDI, the wireless carrier, talked about its training programme on LGBT issues, which all senior employees at that firm must now undergo. Other participating firms expressed positive expectations

regarding this new potential market, but also recognise the risks associated with the topic. Interestingly, one firm has started to feel the topic could be an issue if it doesn't do anything about LGBT-related policies, because it wants to protect its advanced and fashionable corporate image.

All of these efforts are becoming increasingly public. In the US, Human Rights Campaign, America's largest civil rights organisation working to achieve LGBT equality, ranks US corporations on its LGBT-related policies. In the organisation's 2016 corporate equity index, it evaluated 1,024 businesses' LGBT HR policies and practices, including non-discrimination work place protection, same-sex partner benefits, transgender specific healthcare benefits, and public engagement with the LGBT community.

Japanese corporations are not exempt as so many actively target US consumers. Most of Japan's major automobile companies are ranked in the survey – Toyota Motor US and Nissan Motor US both achieved perfect scores. MUFG Union Bank, Mitsubishi UFG's US arm, announced on its website that it earned a perfect score on the survey. Its US CEO Steve Cummings said, "Our LGBT colleagues and communities are vital to our mission to serve clients and customers from all walks of life. The more we reflect and embrace this nation's great strength of diversity, the more we thrive."

Ryota Toshidai, one of the speakers at the Work with Pride conference from IBM Japan, said after the event, "Typically these efforts start from the grass-roots and are led by LGBT employees, yet top management support of activities is needed to feed the movement." He added, "LGBT issues are not specific to this minority group, and they give organisations an opportunity to realise that overall society itself is very diverse and can be more inclusive. In the end, these efforts can help increase the flexibility of often rigid organisations, leading to the innovation most crave." 

MASAKAZU YANAGISAWA
leads Prime Finance Sales for
Deutsche Securities in Japan.
He is also head of dbPride
Japan, Deutsche Bank Group's
LGBT employee network.



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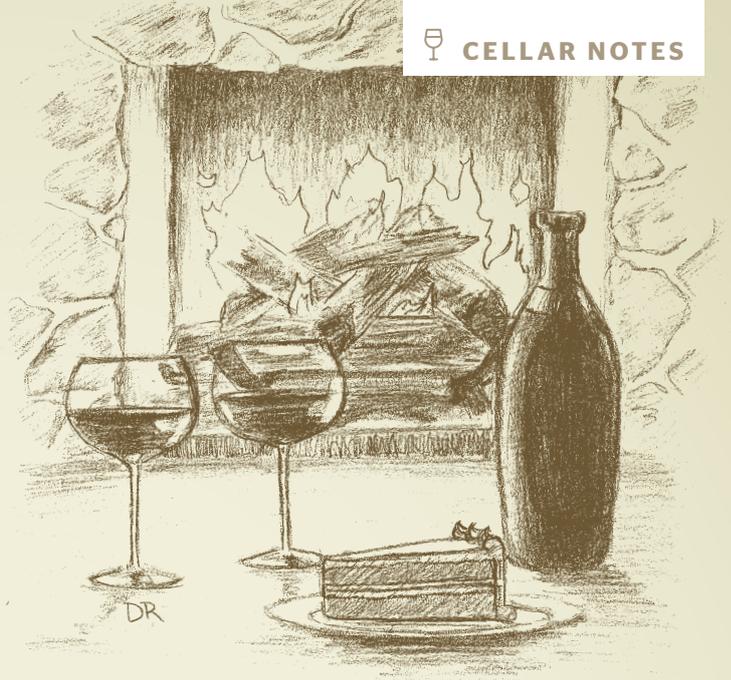
Japan Director,
La Maison du Chocolat Japon K.K.

reads

eURObiZ JAPAN

Holiday wines

Perfect for dining, parties and unwinding



'Tis the season of festivities, of frantic supermarket queues, tacky knit sweaters and long winter nights. Amidst all the frenetic merriment will always be a moment's pause, perhaps near a crackling fire or over a home-cooked meal; and nothing pairs better with these than a glass of good wine.

Whether you're seeking the perfect wine for Christmas dinner, a holiday party, or some well-deserved me-time, let the three wines below offer a bit of a guide. Champagne is clearly a must-have for the holiday season, just check out my column in the October issue.

Zinfandel

Native to Croatia, the Zinfandel grape found its true home in California in the mid-19th century, when prospectors turned to agriculture after the gold rush had petered out. These wines are big, bold and full of character – and are best from certain regions in California, particularly the Dry Creek Valley and Lodi. Today, Zinfandel is at its best when grown on old vines. Yields are lower, with grapes smaller and more

concentrated, producing a wine of deep complexity and richness. Classic old vine Zin is notably aromatic, with a bouquet of blueberry and blackberry jam, pepper, spice, liquorice and toast, making it the perfect accompaniment to red meats, sweet potatoes and dressing at the holiday table.

Port

It's hard to imagine that something as sensual as a glass of Port was originally created out of necessity rather than ambition. When the French and English were at war in the 17th century, England turned to Portugal to fill the current void in their wine supply. But the wine spoiled quickly in the musty, hot bowels of trade ships; so the Portuguese began to experiment by adding liquor to wine as a form of preservative over the long voyages. Today, the same method is used as has been for centuries. White or red grapes from the Douro Valley are fermented like normal wine. But before all the sugar is converted into alcohol, winemakers add a dose of brandy to the wine, killing off the yeasts, adding

additional alcohol, and leaving behind residual sugar. The resulting wine is viscous, sweet, high in alcohol, and rich in secondary flavours, such as dried fruits and nuttiness. Port comes in many different forms. For the holidays, try a Tawny Port for a nuttier, oakier wine that pairs well with caramelised desserts; or a Ruby Port for a jammier, spicier wine that pairs well with chocolate.

Tokaji Aszú

Tokaji, or Tokaj Aszú, is one of the least known, but most renowned, dessert wines in the world. It hails from the Hungarian region of Tokaj, where a portion of the area's white grapes becomes infected each year with a certain benevolent fungus called botrytis (referred to in the wine world as 'noble rot'). Botrytis attacks the grapes while they're still on the vine, where the fungus dehydrates the berries and leaves them rich in concentrated sugars. When the wine is fermented, sugar still remains, resulting in an extraordinary white dessert wine that is thick, rich and sweet, with primary aromas that include honeysuckle and orange peel, with refreshing acidity that allows the wine to linger and linger. It is utterly indulgent and perfect for pairing with a myriad holiday desserts and rich cheeses. 🍷



Every month, **ALLISON BETTIN** takes *EURObiz* Japan readers on a trip through the world of wine.



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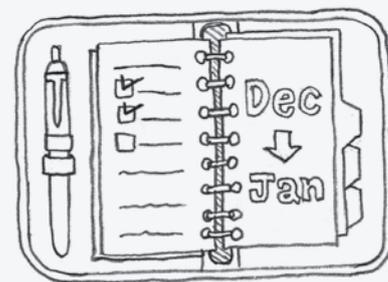
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Upcoming events



Compiled by **DAVID UMEDA**

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

FCCJ Shinnenkai Club Evening

20 January, Wednesday, 19:00-21:00

Venue: Scandinavian Center, Akasaka
Fee: ¥4,000 (members), ¥6,000 (non-members)
Contact: fccj@gol.com

» **French Chamber of Commerce and Industry in Japan**
www.ccifj.or.jp

French Business Awards 2016 Ceremony and CCIFJ Shinnenkai

28 January, Thursday, 18:30-21:00

Venue: Grand Hyatt Tokyo, Roppongi
Fee: ¥8,000
Contact: c.queval@ccifj.or.jp

Tax and Regulations Committee

16 February, Tuesday; time: TBC

Speaker: Thierry de Gennes, Audit Associate, Deloitte (France)
Venue: CCIFJ, Yotsuya/Kojimachi
Fee: to be confirmed
Contact: c.queval@ccifj.or.jp

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

IJCC Family Christmas Party

13 December, Sunday, from 12:00 noon

Contact: secretariat@ijcc.jp

» **Netherlands Chamber of Commerce in Japan**
www.nccj.jp

NCCJ Luncheon Meeting

8 December, Tuesday, 12:30-14:00

Speaker: Roel de Vries, corporate vice-president, global head of Marketing and Brand Strategy, Nissan Motor
Venue: Shangri-La Hotel, Tokyo, 27F
Fee: ¥6,500 (members), ¥8,500 (non-members)
Contact: nccj@nccj.jp

NCCJ Shinnenkai with Holland Alumni Network Japan

28 January, Thursday, 19:00-21:00

Venue: Va-tout, Roppongi
Fee: to be confirmed
Contact: nccj@nccj.jp

» **Multi-chamber Event**
2015 Joint Chamber Bonenkai

10 December, Thursday, 18:30-20:30

Venue: Canadian Embassy
Fee: Check with your respective chamber (includes buffet and *nomihodai* all-you-can-drink)
Contact: Your respective chamber

The 23rd Scandinavian Christmas Ball

16 December, Wednesday, 18:30-24:00

Venue: The Westin Tokyo, Ebisu
Fee: ¥20,000
Contact: www.fcc.or.jp/xmas/

DECEMBER

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JANUARY

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31						

» **Austrian Business Council**
www.abc-jpn.org

1st Inter-Chamber Ski Race (family-friendly!)

30-31 January, Saturday-Sunday

Venue: Happo-one, Hakuba (Nagano)
Fee: ¥2,500 (adults), ¥1,250 (minors under 20). Award Party - ¥4,000 (adults), ¥2,000 (children under 12)
Contact: tokio@advantageaustria.org

Leon van Houwelingen

CEO of Daabon Organic Japan Co. Ltd.

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Photo **KAGEAKI SMITH**





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