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Slow growth

Organic food is rarely found on Japan's tables

Power play

Japan moves forward on electricity deregulation

Antonio Parenti

European Commission free trade negotiator

SEAFOOD *bounty*

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Contributors

Gavin Blair updates the progress of electricity deregulation in Japan, page 14.



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. "Hearing that, through deregulation, it might be possible to have my electricity bill cut in half was a pleasant surprise, though not long after I heard from another interviewee that it might in fact increase prices. It took a disaster on the scale of Fukushima to shake up the electricity industry in Japan, but the final outcome is yet to be settled."

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

"I am not the most assiduous consumer of organic produce. And as a resident of Japan, I know I'm not alone. A lack of awareness of organic's health and environmental benefits, scant official encouragement for producers, and high import duties



Justin McCurry writes about the scarcity of organic food in Japan, page 18.

on already pricey items, means Japanese consumers have been slow to ride the organic wave. But their insistence on quality, plus changing attitudes among retailers here, could see that change."

Tim Maughan tells us about an eco-friendly way to tour Osaka, page 25.



Tim Maughan is a Nara-based freelance business and industry journalist. He moved

to Japan in 2008, after nine years with a London magazine publisher.

"In my time in London, one of the things ingrained in my memory are coach-loads of tourists – 50 people at a time, touring the city from behind high windows, with fume-belching exhaust pipes beneath them. Cycle Osaka, thankfully, emits only human-generated CO₂. Inspirational."



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A woman with dark hair and brown eyes is looking directly at the camera. She is holding a clear glass globe with both hands. Inside the globe, a detailed miniature city skyline is visible, featuring various skyscrapers. The background is a plain, light grey color.

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Power, food and free trade

The month of May marks a rare respite in Japan from the purr of winter wall-heaters and the hum of summer air conditioners. It also means that business owners and householders gain a brief break from sky-high electricity bills. Yet one wonders if that break will be temporary, what with the continued shuttering of the nation's nuclear plants. Also, in what direction will Japan go in trying to create a new power paradigm?

Power deregulation could be one positive first step. As Gavin Blair points out (page 14), the opening up of Japan's ¥7.5 trillion retail electricity market is already happening. A law approved by the Abe cabinet in March should clear the way for the breaking up of regional power monopolies, thereby leading to reduced prices and a more secure and stable national power grid.

At least that is the hope. We'll see.

Speaking of stable and secure, we all



know that Japanese food is healthy and safe to eat. Or is it? According to the latest EBC white paper, Japanese agricultural products are heavily exposed to chemicals, pesticides, fertilisers and hormones. And Japan's reliance on chemical-free organic foods remains

shockingly low – about one-tenth that of Europe and the lowest among developed countries. This month, Justin McCurry (page 18) takes a look at the phenomenon and whether or not organic foods have a future in Japan.

Finally, we recently had the pleasure of interviewing Antonio Parenti about the on-going Europe-Japan free trade talks. Parenti is one of the lead negotiators for the 40 person European side. He had some interesting views (page 8) on what his team expects to see in a final agreement, and whether or not he thinks talks will conclude this year, on schedule.

Enjoy reading and have a great month of May! 

Mike de Jong
Editor-in-chief

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“THIS AGREEMENT IS **LIKE PLAYING** IN THE CHAMPIONS LEAGUE FINAL”

Trade talk

Antonio Parenti, European Commission free trade negotiator

Text MIKE DE JONG
Photo KAGEAKI SMITH

Japanese and European free trade negotiators have now gone through 10 rounds of talks, as they work towards an end-of-year deadline to conclude an economic partnership agreement. While progress has been reported, many tough issues remain. *EURObiZ Japan* reached EU negotiator Antonio Parenti during a break in the talks. Parenti is deputy chief negotiator for the 40-person European team. (The Japanese side numbers around 100.) >

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Could you give us an update on the current state of negotiations?

We have exchanged offers on goods, services and investments; and texts on most of the chapters of the future agreement. We have advanced on the solution of a number of regulatory barriers that hamper bilateral trade. We have also successfully concluded the first year review of the negotiations that the European Council asked us to undertake at the beginning of the negotiations.

So we are at an advanced stage, but a lot of work remains and most of this concerns the most sensitive areas of the negotiations.

Do you agree with Japanese negotiators, who say the positive review that followed the first year of talks helped create an atmosphere of confidence and trust?

Yes, I fully agree. It was very difficult; and it is true that in Europe – because of the complicated trade relationship with Japan for many years – there was a lack of confidence that these negotiations would deliver on important issues for us. So the work done in the first year has slowed us down, compared to other types of negotiations. But it has also created confidence and an understanding of Japan's seriousness in dealing with issues that are important for us.

What are the key objectives of an agreement from the European side?

This agreement is like playing in the Champions League final. You have two of the biggest economies in the world and two of the biggest exporters. So we are bound to live up to what is legitimately expected from such economies and deliver an ambitious deal. This means we need to create a level playing field for companies on both sides to trade and invest with each other. That means not only scrapping tariffs, but also reducing unnecessary obstacles to trade, facilitating investment, opening up public procurement and protecting geographical indications for products from specific regions (like Parma ham or Beaufort cheese). It means creating a charter that can help the two economies integrate.

Japan insists that it has made progress on two-thirds of regulatory issues, including areas such as passenger

vehicles and food additives. What regulatory issues remain?

When we started negotiating with Japan, we submitted a first list of what we call non-tariff barriers – and the Japanese call non-tariff measures. These are regulatory measures which are obstacles to trade. On this list, Japan has done quite an amount of work indeed, although the list has not been completely solved. That list was followed up by a second list presented to Japan in December 2014. It contains about 40 more barriers, which we are now discussing with Japan. Some are complementary to the ones included in the first list – the car industry and new food additives – while others are completely new things which our companies are asking us to tackle.

Now, it's funny, but the second list is bigger than the first. Japanese negotiators may be worried by that. But they shouldn't be. A longer list indicates that more companies are interested in doing business in Japan than were four years ago. Japan is gaining interest in Europe, and EU companies are more interested than before in exporting to Japan.

So, even though an agreement has yet to be reached, it's already having an impact on business in Europe and Japan?

It's helping to put Japan back on the map for a lot of European companies. What has taken place in Japan over the last four years has raised interest in Europe. Overall it's a good sign – that what we are negotiating could actually be important for companies and benefit both sides.

Is your team pleased with Prime Minister Shinzo Abe's efforts to reduce trade barriers?

We certainly are. Of his three arrows, the third is the most complicated. And in a country which has been strongly regulated, it is understandable that these efforts may require time. Our agreement is trying to find new ways to facilitate trade while catering to the legitimate concerns of our respective societies. Of course, there are legitimate concerns which need to be taken into consideration, even if they create barriers to trade. But there are also issues where you may take a different approach to regulation and which restrict trade

less. This is important. To turn it around, an agreement with the EU could be very important for Prime Minister Abe, to reinforce his goal of economic recovery – because it would certainly increase competitiveness and investment in Japan.

Why is government procurement [the opening up of Japan's public works projects] so important for Europe?

For two fundamental reasons: the first is that states around the world spend a lot of money on procurement. Now Japan, like the EU, is a member of the WTO government procurement agreement. But this is negotiated by many countries, so it only achieves a certain level of liberalisation. Going beyond this is important because it would create a level playing field. The second point is that Europe is already open in terms of procurement. The work we have carried out in our internal market to eliminate barriers within Europe is, to a large extent, applied to other countries. But, often, our companies find difficulties going into third markets. So we have an interest here in Japan, in railway procurement, utilities and construction, to name just a few areas where European companies can compete.

Are you confident in meeting the prime minister's deadline to conclude an agreement this year?

Well, I cannot be sure when we will finish a negotiation. But it's important to have a deadline. It focuses minds. When President [Jean-Claude] Juncker met Prime Minister Abe a few months ago at the G20 [summit] in Brisbane, he told him clearly that, "We want to work for that deadline." But we shouldn't focus only on the deadline and lose sight of our ambition. For us, we have to come to a conclusion on an agreement that can stand the scrutiny of EU member states, of the European Parliament and our stakeholders. And that, for us, would take precedence over a deadline. This is an agreement that can bring economic development to Europe and Japan; and the sooner we finish, the better for everyone. So we are committed to try and finalise – at least in principle – this agreement in the course of this year. But a lot of work needs to be done. It is not impossible, and we're working 100% to make it possible. 

Started by local fishermen

in Bergen, Norway in 1899, Leroy Seafood has grown into the country's number one seafood exporter and one of the largest in the world. Having done business in Japan for more than 20 years, Leroy Japan K.K. was actually established when Keita Koido joined the company in 2008. He talks to *EURObiZ Japan* about his company's investment.

SEAFOOD
bounty

Keita Koido, President, Leroy Japan K.K.

Text **BRUCE DAVIDSON** Photo **BENJAMIN PARKS**

“WE ARE DIFFERENT COMPARED WITH OTHER MORE TRADITIONAL SEAFOOD COMPANIES”

How important is the Japan market to your company?

Japan is important. In recent years, we have been consistently among the top five markets in terms of value, out of 70 different markets in the world that we have business. Our turnover for Japan was about ¥17 billion last year. So we've been growing. And we were one of the first companies to start charter flights from Norway directly delivering fresh salmon to Japan.

Tell us about your best-known product, Aurora Salmon®. What makes it unique?

We deliver more than 8,000 tonnes of fresh salmon from Norway. Half of that is Aurora Salmon. Since its launch in 2008, we've been growing, on average, 20% in volume and value. We've been working with long-term distribution partners, and the product goes to high-end restaurants, supermarkets, *kaiten-zushi* [conveyor-belt sushi] restaurants, hotels and fish shops. And, of course, the Tsukiji fish market also plays a role as a distribution centre. So we have our product all over Japan, from Hokkaido to Okinawa.

Aurora Salmon has a distinctive, hint of sweetness that makes it quite special. It's because of where it's farmed in the north of Norway; there's very cold and clean water, with optimum current flows, which are very important. The level of oxygen in the ocean is very important for farming quality salmon. All of this helps the salmon to have a great texture, beautiful colour, and a sweetness that makes for sushi just the way Japanese like it.



You have a unique way of ensuring the freshness of your products. Can you describe this process?

Aurora Salmon is delivered to Japan after three years of farming. It takes about 40 hours from swimming in the oceans of Northern Norway to delivery in Japan. We still offer the fastest delivery to Japan using a passenger flight on Finnair three times a week. So consumers always enjoy maximum freshness. That's where we focus all the time. Basically, when it's delivered to Japan, the first meals are served within the same day. I think that's something we're proud of as well. I like to say that if our salmon were any fresher, it would still be swimming in the cold Norwegian waters!

What are your most popular products?

We deliver fresh Norwegian trout and currently have about a 60% share [of the market]. We are actually the world's biggest trout farmer. We promote our fresh trout to high-end restaurants under the name "Fjord Trout".

We also deliver some smoked products to select customers. The smoked market is still rather small in Japan compared to other markets, but we're trying to promote the premium smoked side. Our smoked [trout], made in Norway, is very traditional; we do dry salting, where it's salted by hand and smoked in Alder, a local tree found outside Bergen. The wood gives a unique mild taste to the product. It's been that way for many years – history and know-how. Another product is sliced salmon; it's like ham in a package. But it's healthier; it's salmon rather than pork.

How do you increase awareness, or market your products here in Japan?

We don't have much competition here because we are the only company heavily focused on branding and concept development. So we are different compared with other more traditional seafood companies. When it comes to marketing, everything we do is tailor-made. We also partner with the Norwegian Seafood Council to promote the premium and clean origin of Norwegian seafood. But we don't do marketing through a marketing person's perspective. We always look at it from the perspective of the seafood industry. In order to work that out, we have tailor-made marketing programmes, working closely with the customers that we have. But when it comes to bigger marketing, we do that with selected customers who want to work with us and grow with us. I think our success in Japan is based on that; we don't do it for everyone, we do it with selected customers who want to grow and build trust.

One aspect of your company is that it's an international firm with autonomy in Japan. Can you explain this concept?

I'm confident to say that Leroy Japan is one of a kind in the Norwegian seafood industry, or even outside the industry. What makes us successful in Japan is that we have real autonomy. This is reflected in our company name in Japanese, "Nihon Leroy". Japan takes ownership of strategic management, and that is why we can do things differently, devote resources where necessary, and run an effective business specific to local market needs. Yet, we are all connected, as we bring both Norway and customer closer to us. We are not just in the middle trying to work in favour of another. Having this closer relationship, our challenge is to be part of Leroy as a whole and solve issues together. That way, we can maximise the opportunity. 

Power play

Japan moves forward on electricity deregulation

Text **GAVIN BLAIR**

The opening up and deregulation of Japan's ¥7.5 trillion (€58 billion) retail electricity market is underway. The Partial Revision of the Electricity Business Act was approved by the cabinet of Prime Minister Shinzo Abe on 3 March, and is expected to pass through a Diet no longer in the thrall of a somewhat neutered, post-Fukushima, power industry.

The three-step process is designed to break the monopolies of the 10 privately owned regional electric power companies, reduce prices and secure a stable national power grid – one that can avoid the shortages and outages that struck after the 2011 disasters.

A large cut in electricity prices would boost household spending and lower costs for small businesses, while a truly open sector could provide cost-effective opportunities for overseas firms.

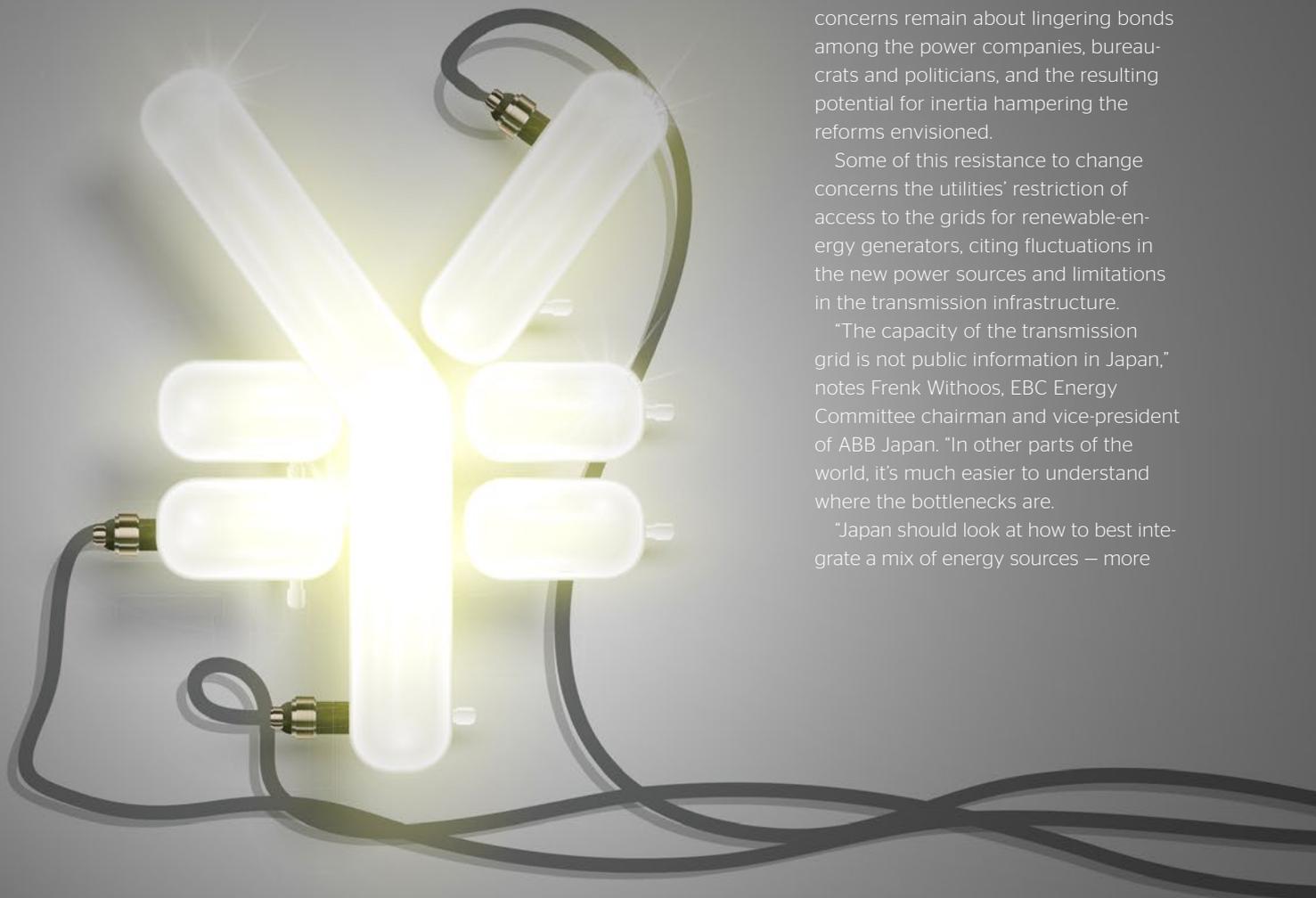
April saw the implementation of the first stage of the process, establishing an independent regulator: the Organization for Cross-regional Coordination of Transmission Operators (OCCTO). This will be followed in 2016 by the entrance of new suppliers to the market, and then in 2020 by the unbundling of the generation and transmission of electricity into operations run by separate companies.

Deregulation having already occurred in much of Europe and the US gives Japan the opportunity to learn from what worked and what didn't. However, concerns remain about lingering bonds among the power companies, bureaucrats and politicians, and the resulting potential for inertia hampering the reforms envisioned.

Some of this resistance to change concerns the utilities' restriction of access to the grids for renewable-energy generators, citing fluctuations in the new power sources and limitations in the transmission infrastructure.

"The capacity of the transmission grid is not public information in Japan," notes Frenk Withoos, EBC Energy Committee chairman and vice-president of ABB Japan. "In other parts of the world, it's much easier to understand where the bottlenecks are.

"Japan should look at how to best integrate a mix of energy sources – more



wind power from the north of the country, for example, and more solar from the south. This is already being done efficiently in China. From an engineering point of view, the question is why this isn't done in Japan," adds Withoos.

The key to all the reforms is meaningful unbundling of generation and distribution, suggests Withoos, "if that doesn't happen, the rest is useless."

This will also be the biggest challenge for the existing regional power companies, trumping even the end to their monopolies, says Bastien de Lazzari, manager of marketing and strategy at Areva in Japan, a France-based firm that specialises in nuclear and renewable energy.

"The utilities won't be able to set preferential tariffs," says de Lazzari, who believes the generation part of the electric utilities will have more difficulty in financing investments such as in new reactors and maintaining high safety standards for existing infrastructure.

However, the fact that an electricity generator will still be able to own distribution through a holding company structure is cause for concern, according to Withoos. "It will depend how strong the independent regulator [OCCTO] will be in forcing the utilities to open up."

Without strict regulation by the OCCTO, there is clear potential for conflict of interest when a distributor maintains equal access to different generators, one of which is its owner.

METI (Ministry of Economy, Trade and Industry) is determined to ensure neutrality through supervision of the regulator, believes Yu Nagatomi, a researcher at the Tokyo-based Institute of Energy Economics, a leading global authority in the field.

Nagatomi expects the reforms to drastically change the market in Japan and points out that the major utilities are forecasting significant upheavals.

"Tokyo is a very attractive market; and TEPCO, by its own estimates, expects to

lose about 20% of its share to newcomers," says Nagatomi. "As well as regional companies such as Kyushu Electric Power and Kansai Electric Power coming into TEPCO's territory, new [energy] players such as SoftBank and major trading companies like Marubeni are also likely to enter the market."

The reforms do provide opportunities for the regional utilities to expand outside their own areas, and to bundle electricity with other services, such as gas or even mobile phones, notes Withoos.

TEPCO has already signed a deal to supply electricity outside its usual catchment area to electronics chain

"This clearly has not happened anywhere in Europe. Quite the contrary. As a matter of fact, households are charged subsidies to finance and support the development of renewable energies. This is especially true for Germany, for example," says de Lazzari.

Efficiency in the Japanese electricity market could be boosted with the help of companies from Europe, in similar ways to the expertise that was brought to the solar sector, suggests Withoos. A case in point is ABB's new joint venture with Hitachi, based on the Swiss firm's High-Voltage Direct Current (HVDC)

“THE UTILITIES, AS THEY ARE IN MANY COUNTRIES, ARE **VERY CONSERVATIVE**”

Frenk Withoos

Yamada Denki, and is aiming for sales worth ¥170 billion within 10 years to Kansai and Chubu area outlets and plants of Tokyo-based companies.

One of the central aims of deregulation is to reduce prices, though there is disagreement even over whether that will be delivered.

The current government-controlled business model is "cost+" — the price determined by the cost to the utility plus a margin. This means there is little incentive to be efficient, points out Withoos, who believes that open competition could cut electricity bills by as much as half.

Areva's de Lazzari is unconvinced, pointing to the European experience of deregulation.

technology, which can transmit electricity over long distances with very low levels of energy loss.

"This is a good example of how European companies can bring technology to Japan. HVDC is already in use in the [Chinese] Three Gorges Dam project, taking electricity over 2,000km to Shanghai, which wouldn't be practical without it," says Withoos.

Despite a history of more than a century in Japan, ABB still sees benefits in having a Japanese partner to approach domestic utilities with its technology, according to Withoos.

"The utilities, as they are in many countries, are very conservative," he says. "They need a few people to upset their status quos." ☺



Davide Piras

President, Bristol-Myers K.K.

Text **BRUCE DAVIDSON**

Photo **GENEVIEVE SAWTELLE**

Discussion concerning the pharmaceutical industry often focuses on drug patents, approval times, and prices or reimbursements. While these areas are undoubtedly important to companies in the field, the bottom line is that innovative medications save lives or, at the very least, improve a patient's quality of life. That's the way Davide Piras views his company's work.

As president of Bristol-Myers K.K. (BMKK), the Japan subsidiary of global BioPharma firm Bristol-Myers Squibb, Piras is proud of BMKK's research and development in areas such as oncology, hematology, immuno-oncology, immunology, specialty cardiovascular diseases and virology.

"Innovative medicines give great hope to people fighting against serious disease," says Piras. "We focus on disease areas of very high unmet medical needs, to discover and develop new treatments."

Piras, originally from Rome, Italy, joined the firm in late-2013. He leads a workforce of nearly 1,400 employees and contractors at a company with annual sales of ¥97 billion. But to Piras, profits are secondary to the needs of patients.

"We always remember that people fighting against serious diseases are waiting for us to make a difference in their lives," he says. "We create hope for these people by discovering and developing innovative medicines."

The latest launch of BMKK's innovative products was developed in Japan with Japanese patients in mind. The product, a dual combination treatment

for hepatitis C, is the first and only all-oral, interferon-free, ribavirin-free treatment currently available in Japan. Since interferon-based therapy could have adverse side effects that some elderly people cannot tolerate, this product especially helps those who cannot take injections or who suffer these severe side effects.

"This regimen works on the genotype 1b, the prevalent genotype for hep C infection in Japan," says Piras. "[Our drug] has transformational importance for treating hep C in Japan, because many patients are older than 70."

Immuno-oncology is another area of innovation for Bristol-Myers in Japan. Immuno-oncology involves drugs that vitalise the body's immune system. Unlike medications that directly attack cancer cells, these treatments encourage the body to fight cancer on its own.

Piras calls it a "new paradigm" in the battle against the killer disease.

"For the first time, the medicines do not target the tumour cells," he says. "Instead, they target the immune system in order to help the immune system recognise tumour cells and destroy them."

Yervoy and Opdivo are two immuno-therapy drugs developed by Bristol-Myers Squibb and its partners that have proven highly effective in treating skin and lung cancer.

"In melanoma, [Yervoy] has been able to provide unprecedented survival rates," says Piras. "Yervoy has been submitted for approval in Japan and, hopefully, should be launched this year."

Opdivo, developed and commercialised in Japan in partnership with

Ono Pharmaceutical, is also used to treat melanoma. But it has also proven highly effective in combating lung cancer.

"Recent data in the US demonstrates that this drug provides unprecedented benefit to patients with lung cancer, to the point that some trials have been stopped earlier [than expected]," says Piras, "[That's] because some patients receiving Opdivo had a significant benefit compared to patients receiving the comparator drug."

With a 150-year global history in the pharma industry, Bristol-Myers Squibb today promotes itself as a BioPharma company. BioPharma is defined as combining the best of pharma with the best of biotechnology.

"We were the first company to create the word BioPharma, which, for us, means that our portfolio is composed of biological products and non-biological products, and they are developed leveraging the competencies of a big pharmaceutical organisation like Bristol-Myers Squibb."

Citing business goals, Piras says his firm will continue to focus on a diversity of products across few selected therapeutic areas.

"That's why we call ourselves 'a diversified speciality BioPharma company,'" he says. "We are not just focused only on [for example] virology or oncology. We are focusing on several, [but] still a few therapeutic areas for discovery, development and commercialisation."

"We continue to take on challenges to discover, develop and deliver innovative medicines for people in Japan to help them prevail over serious diseases." 

“INNOVATIVE MEDICINES GIVE **GREAT HOPE** TO PEOPLE FIGHTING AGAINST SERIOUS DISEASE”



Slow growth

Organic food is rarely found on Japan's tables

Text **JUSTIN MCCURRY**

When it comes to a search for high-quality food, Japanese consumers have an unrivalled reputation for discernment. Yet when organic produce enters the picture, they lag far behind their counterparts in Europe and the US.

Granted, the past few years have seen the appearance in Tokyo and other cities of cafés, restaurants and shops selling food free of pesticides, insecticides and other chemicals. However, organics still represent a tiny dot on the wider food landscape.

The data certainly bears that out. As of last year, organics accounted for a mere 0.4% of the total domestic food market – worth a staggering \$820 billion – compared to the global average of 2%.

Japan barely registers on the global organics rankings. Those are dominated by Europe and the US, with each accounting for 45% of the international market. Japan lags way behind at a mere 2%.

In some respects, the conditions should be ripe for organic food to make a bigger impact in Japan's huge retail sector. The March 2011 accident at Fukushima gave rise to fears about food safety, as have a slew of food safety scares involving mainly imported products.

And while Japanese shoppers possess an unshakeable faith in value for money, they have demonstrated a willingness to go the extra mile, financially, for superior produce. Still, public discussion of the importance of provenance and quality control has not been matched by serious consideration of how produce is grown or reared before it ends up on millions of Japanese dinner tables.

Despite its slow start, though, the organics revolution may finally be creating ripples in Japan, thanks to a sustained campaign by European firms to educate consumers and to work in partnership with domestic retailers.

One of the torchbearers is the MIE Project, whose range of organic produce ranges from chocolate and energy bars to tea, coffee and soya milk. "My guess is that the total organic food market in Japan is worth about €1 billion, which is fairly insignificant; and when you compare Japan to countries like Denmark, where 8% of the food market is certified as organic, you can see the difference in penetration," says

“THE GOVERNMENT COULD DO MORE TO ENCOURAGE JAPANESE PRODUCERS TO GROW MORE ORGANIC FOOD”

Thierry Cohen

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Duco Delgorge, president and chief executive of Project MIE.

But Delgorge says he has witnessed a shift in attitudes among Japanese retailers and, by extension, their customers, in the decade since he launched the firm in Japan.

"The situation is evolving, and we're making steady progress," he says. "We're starting to see more premium supermarkets and health food stores selling organic food, and bigger and better ranges of imported organic produce."

Organic food is also being taken more seriously by online retailers, such as Rakuten and Amazon, and by delivery firms including Radish Boya and Daiichi Mamorukai.

Despite the growth of chains such as Natural House and Lawson Natural, there is nothing in Japan that compares to the organic brands that have made such impressive inroads into the European market, or to say, Whole Foods in the US.

If the global market has been helped by greater awareness of the health and environmental benefits of organic food, in Japan, more is made of the consistently high quality of imported organic produce, says Thierry Cohen, president of Japan Europe Trading, whose suppliers include the firm's own range of Italian organic products sold under the brand name Solleone Bio.

"When I first mentioned 'organic' to our sales people here, I was greeted by blank looks; but their attitude changed when I said it was all about high-end, quality products," says Cohen.

He concedes that Japanese retailers still need convincing that consumers will pay more for products, particularly as they have yet to grasp that organic food is of a higher quality.

Even so, about 100 restaurants in Japan now use his firm's organic pasta. "We told them that it's not just about something being organic, but that it's more nutritious than ordinary pasta, easier to digest and so on," he says. "The reception was good because the products are of a high quality, not

necessarily because they're organic."

He shares the widely held view among European importers that the real impetus for a shift to organics must come from Japan's own agricultural sector.

The signs are not encouraging. In a country where the food self-sufficiency rate is already a lowly 40% on a calorie-basis – and where downward pressure on agricultural employment is firmly entrenched – there is precious little room for organics.

In its 2014 report on the Japanese business environment, the European Business Council (EBC) repeated calls to abolish both tariffs on organic food and the requirement to secure individual certificates from the Japanese authorities for every shipment of food certified



as organic in Japan and awarded a Japan Agricultural Standard (JAS) certificate confirming its organic status. Instead, the EBC says, JAS marks should be issued on an annual basis.

The council, however, applauded the Japanese government's 2013 decision to abolish a supplementary certificate – issued for every shipment by the embassy of the product's country of origin – that added to costs and caused supply delays.

"The government could do more to encourage Japanese producers to grow more organic food, and that would have a knock-on effect," adds Cohen, who

suggests looking at European-style subsidies for organic producers.

Inevitably, the mixed fortunes of organic products in Japan are tied to their comparatively high price at a time of continuing economic uncertainty. The high import duties imposed on items such as chocolate and condiments put items that are already on the pricey side in their countries of origin beyond the reach of many Japanese consumers.

That won't deter importers from continuing their quest for a breakthrough, says Guillaume Calloud, managing director Nichifutsu Boeki, whose organic food inventory includes Alce Nero pasta from Italy. "Organic food is creating a small wave here – there is a slightly greater perception of the organic movement," he says, adding that the supermarket giant Aeon had recently launched its own range of about 80 organic products.

"And to be honest, it's easier to do business here in the organic market than it is in South Korea and China," Calloud adds. "It's all relative."

Delgorge, too, is optimistic about the future of organics in Japan, but accepts that a revolutionary change is unlikely. "There will be change as long as there is evolution here on the retail side and organic food is being talked about more in the media," he says.

Roy Larke, senior lecturer at Waikato University in New Zealand, adds that while Japanese and EU officials discuss lower tariffs on food – including organics – at on-going FTA talks, foreign suppliers and their Japanese partners could do more to advance their cause by rethinking such basics as packaging.

"It's still common for overseas firms to believe their presentation is good enough elsewhere, so naturally good enough for Japan," says Larke, an expert on Japanese retailing and consumer behaviour. "Sometimes it is; but when a Japanese partner says it isn't, it's worth listening and upgrading, even if it means the sale price also has to rise." 🍷

Walter Bolzer

Bavarian entrepreneur/adventurer

Text **MIKE DE JONG**
Photo **BENJAMIN PARKS**

When people reach retirement age, they usually want to relax, travel or possibly play golf.

Not Walter Bolzer. The Bavarian-born representative director and chairman of SKW East Asia Ltd. bought into his first company at the age of 60.

"It was a risk, in a certain way," he says, of the 2003 buyout of SKW from its previous ownership group, "but a calculated risk."

After spending 20 years building the firm into one of Japan's most successful German food, metal and chemical importers, Bolzer knew he had the knowledge of its products, customers and industry to make the business work. All he needed was financing. And that's where he ran into trouble.

"When we were part of a big group, the banks came every quarter [saying], 'Do you want another *oku-en* [¥100 million] loan?' And, then, they all suddenly disappeared," he recalls.

After trying a multitude of foreign and domestic lenders without success, Bolzer finally found financing from what he calls a "medium-sized, industrial bank". And he has never looked back.

He remains loyal to the same bank to this day.

"They helped us when we needed it," he says. "Two to three years later, all the big ones came again [saying], 'Oh, nice company. We want to do business with

you.' I said, 'Where were you when we needed you?'"

These days, at the age of 72, Bolzer still plays an active role in overseeing the company, which has grown to an annual turnover of nearly ¥3 billion. Rock salt, whipped cream and extra virgin canola oil are among SKW's most popular imports. The rock salt "Alpen Salz" alone can be found in more than 11,000 supermarkets across Japan.

"In the food business, we are so well-known that, once or twice a month, we get offers from German companies who want to do business in Japan. Or, [from companies] who are already here but stuck with an importer who does not progress," he says.

Bolzer carefully considers all offers from potential producers, but is cautious about taking on new clients. The costs and red tape involved in introducing new consumer products to Japan are daunting. For example, he says costs can be as high as €1 million, and it generally takes about a year-and-a-half to get through the legal aspects, pre-marketing, and preparation. Special packaging, labelling and registration are also necessary to get food items into supermarkets, while parallel advertising is required to let potential customers know where to find the new products.

"It's a very critical balance you have to maintain, otherwise you are not successful," he says. "So you have to be very careful what you select."

Bolzer, a member of the EBC Food and Agriculture Committee, found success in Japan despite coming here at the relatively late age of 40. A trained biochemist, he had worked for a decade in the German chemical industry after previous stints working in Canada and studying in the US. He met his Japanese-born wife as an exchange student at Michigan State University.

"We met in the foreign students' club," he recalls. "The first common thing was that we both had problems adjusting to the American way of life. And we both liked dancing."

Bolzer would also pursue his passion for skiing while in the US, Canada and later Japan. In fact, having grown up in the mountains of southern Germany, he counts skiing and mountain climbing as his two favourite pursuits. Over the years, he has scaled some of the world's best-known peaks, including Europe's Mont Blanc. This sense of adventure mirrors his attitude towards risk-taking in his professional life.

"When I see an opportunity, I'm not afraid to seize it," he says. "To grab [an] opportunity. That's my philosophy."

"Money lies on the street, even today," he says, metaphorically.

"You just have to see it and be prepared to pick it up. Some people see it, but most don't. And only a few bend down to pick it up."

"I never had a problem with that," he chuckles. ☺



“WHEN I SEE AN OPPORTUNITY, I’M **NOT AFRAID** TO SEIZE IT”



Do you like natto?

Time spent working in Japan:

I was sent to Japan in 1984 to stay for only five years, but I somehow missed the return flight.

Career regret (if any): I planned my career differently, but I am quite happy how it turned out.

Favourite saying: You do not get what you deserve, only what you negotiate.

Favorite book: *Give and Take* by Adam Grant.

Cannot live without: A good laugh; don’t take life too seriously.

Lesson learned in Japan: Different ways of thinking and the German way does not necessarily work in Japan.

Secret of success in business: Say what you do and do what you say.

Favourite place to dine out: Wakanui Grill Dining in Azabu-Juban.

Do you like natto? Yes, very much so. I eat natto most mornings together with a Bavarian breakfast of sausage and cheese.



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Tour de Osaka

Cycle Osaka's eco-friendly two-wheel tours

Text and photo **TIM MAUGHAN**

Fume-emitting coaches and buses are standard transport for tours around most major cities. But the only CO₂ coming from Sam Crofts' two-wheel tours of Osaka emanate from human lungs.

Crofts is the founder and owner of Cycle Osaka, a company that rents bikes to tourists visiting Japan's third-largest metropolis.

"I have always used bicycles as a way to get around," says the UK-born Crofts. "I like the flexibility that they offer. It's the best way to see a town, on a bike."

After taking foreign friends on tours of the city for years, Crofts turned the practice into a vocation two years ago. His familiarity with Osaka's myriad of streets and thoroughfares helped get the company off the ground.

"It is ridiculous that I didn't start Cycle Osaka years earlier," he says. "I had been doing the 'job' for years, riding around and showing people Osaka Castle, and other sights. [Then] I had a burst of creativity and I thought, why not try it as a business? I couldn't believe that it didn't already exist; I thought, someone else is going to do it."

But they hadn't done it, so Crofts swung his eco-friendly idea into action. He set up a website to advertise his enterprise and, in a few months, customers were taking to his bicycle tours in significant numbers. "The word just spread," he says.

Currently, Cycle Osaka operates in the city's Fukushima district, close to Osaka Station and the teeming streets of the Umeda business and entertainment district. The company's fleet consists of 15 two-wheelers, including what Crofts calls "cross" bikes — a hybrid between a mountain bike and a road bike. Each bicycle has six gears.

Crofts' pedal-powered machines are the perfect means of transport in a city the size of Osaka. They make navigating small back streets and alleys much easier and, of course, emit no pollution. There's also no need for costly parking.

Another side benefit of the business is that it brings Crofts into contact with people from all over the world. In January of this year alone, 45 tourists from Perth, Australia took to his bikes, along with travellers from various other nations.

During the winter, half of Cycle Osaka's customers are Australian; in spring, tourists from South-East Asia appear. On the day *EURObiZ Japan* visited, there were also customers from Canada and Colombia. Summer sees a mixture of Europeans and Americans.

Crofts conducts the tours himself, taking travellers to well-known city sites. He also makes a special effort to show customers how Osakans live.

He says it's about connecting the dots. "What you also get to see, is how people live their lives between those sites, which

is what I would do this tour for, if I were a customer. It's [not] like going around London [where] you are like a mole; you pop up at Charing Cross, see something, take a photo, go underground, pop up at St Paul's, and take a photo. Real London exists between those sites. It is the same principle here — that is the concept behind doing it by bicycle."



Tokyo understandably takes top billing on most tourist itineraries in Japan. But Crofts says his customers are often surprised how much there is to see in Osaka.

Cycle Osaka offers two types of tour: the 14km route, which takes three hours, and a six-hour, 25km route. The company supplies helmets and water, and Crofts stops en route so that the assembled cyclists can replenish their energy with food. The tours are not scripted. Instead, he likes the impromptu approach, explaining the sights as he goes, communicating with the customers.

Cycle Osaka customers tend to be in their twenties and thirties, although some who join are more advanced in years. "The oldest was in his seventies. As long as they can ride a bike, it's okay by me," says Crofts.

The green credentials of a business like this are obvious, and are a welcome departure from the traditional tourist coach odyssey. There is, he says, "nothing to lose and everything to gain" from running such an environment-friendly operation. The wheels and pedals benefit the customers, as well as the planet.

"It is not the Tour de France, but your heart rate increases," he adds. 



Switzerland

Diplomatic relations between Switzerland and Japan were established in February 1864 (SCCIJ), with the signing of the Treaty of Amity and Commerce. Today, Swiss business interests are maintained by the Swiss Chamber of Commerce and Industry in Japan, whose membership includes large multinationals and small to medium-sized companies. According to the SCCIJ, Japan is one of the main foreign markets for the Swiss economy, and represents the fourth-largest export market for Switzerland (after the EU, the US and China).

Major cities: Zurich, Geneva, Basel, Bern (capital), Lausanne.
Population: 8,061,516 (July 2014 est.). Urban population: 73.7% (2011). 43.9% aged 25-54 years (2014 est.).
Area: 41,277 sq. km. Land boundaries: 1,852km
Climate: Temperate, but varies with altitude. Cold, cloudy, rainy/snowy winters. Cool to warm, cloudy, humid summers with occasional showers.
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Michael Mroczek

President, Swiss Chamber of Commerce and Industry in Japan

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Text **ALLISON BETTIN**

Following last year's 150th anniversary of diplomatic relations between Switzerland and Japan, this year has already been busy for the Swiss Chamber of Commerce and Industry in Japan (SCCIJ). Membership is humming and the chamber recently welcomed Michael Mroczek as its new president.

What will be the priorities of your new role, and how will you maintain the momentum of 2014 successes?

As president, my priorities are to continue to provide engaging events and support to current members. Last year was unprecedented, due to the attention from the 150th anniversary of diplomatic relations. As a result, we collaborated with the embassy more than ever. I plan to use the energy brought by former president Martin Fluck to maintain the quality and range of the events. I will also support the members by improving the approachability of the chamber, so that members can feel comfortable voicing any and all concerns, and in introducing their ideas.

How will you do that?

Increasing the membership numbers is obviously important. However, I would like to dedicate time getting to know them better as well. By actively and directly communicating with people who join our chamber, I can hear their needs and ideas for improvements. I would also like members to feel welcome and use the chamber as a platform for themselves and their businesses.

In which sectors, besides finance and watchmaking, do Swiss firms excel?

Everybody knows Switzerland for the watch industry. But our country is also

home to some of the world's largest pharmaceutical and commodity trading firms too. While I live in Japan, the three things that I miss most from Switzerland are chocolate, cheese and white wine. Therefore I feel that Swiss food industries are often overshadowed, despite their high quality and reach.

What do you see as the greatest opportunities and challenges for Swiss companies in Japan?

The greatest opportunity for Swiss companies in Japan is the current push for globalisation. In Japan today, becoming more international or worldly is a mark of status; therefore Japan is very welcoming to new international businesses. Furthermore, the attractive exchange rate between the Swiss franc and yen creates a great environment for travel to Japan and for Swiss direct investment. Some challenges I observe are the cultural differences and language barriers. In practical terms, Japan and Switzerland are very far apart, and the geography and the time difference can be a hindrance.

What would SCCIJ members like to see from the Japanese government this year?

I do not presume to express the opinion of all SCCIJ members because our members are very diverse. However, government-led changes in Japan that SCCIJ members would like to see are commonly debated topics among Japanese people as well. That starts with governmental transparency in general. The members also expect more economic growth, increased participation by women in the labour force, and more transparency on energy policy. Finally, there is a call for more qualified human resources in Japan to help



“
THE GREATEST OPPORTUNITY FOR SWISS COMPANIES IN JAPAN IS THE CURRENT PUSH FOR GLOBALISATION
 ”

foreign companies and people who are putting roots down in Japan.

How would a free trade agreement between Japan and the EU affect Switzerland?

Since 2009, a free trade agreement between Japan and Switzerland has had a remarkably positive effect on the trade relationship between the two countries. Should a free trade agreement between Japan and the EU come to fruition, the negative effect on Japanese-Swiss trade will be minimal. My forecast for businesses is an increase in quality all around, due to the injection of market competition. 

Specialist Profile

Tomokazu Betzold

by Miyuki Seguchi,
Senior PR & Communications Executive



A hallmark of the IT industry is the passion of its people for technology. Being a tech geek is a good thing. It is celebrated and rewarded.

“People pursue a career in the IT industry because they are enthusiastic about technology. When they finish work, they go home and sit down at their own PCs to work on personal projects. They’d be doing this stuff even if they didn’t get paid for it because they love it,” says Tomokazu Betzold, Director of the IT Division at Robert Walters Japan.

The consultants within the IT Division at Robert Walters share the same love for IT as their candidates and clients. Betzold has hired many consultants with a background in IT, from those with degrees in computer science to those with industry experience working in social gaming companies, enterprise solution providers, system integrators (SIs), and IT consulting firms. Their familiarity with the inner workings of the IT industry, technical understanding, and commitment enables them to understand candidates

and clients deeply and to provide an unparalleled recruitment service.

“It’s important for my consultants to be genuinely passionate about technology because we work in industry-aligned teams at Robert Walters, and as specialists in IT recruitment, my consultants need to stay abreast of market trends and new technologies. Our passion for IT is why we’re so successful.”

On being asked what he likes about technology recruitment, Betzold replies: “IT isn’t fixed. The industry is highly dynamic and technology is always changing.” Industry shifts can be dramatic when a new technology emerges in the market and many of the positions his teams recruit for now didn’t exist a few years ago, he explains, adding that his teams are often tasked with finding skill-sets that have yet to develop in the Japan market. That’s why IT recruitment is really challenging, he says, but if you have enthusiasm for technology, it’s also what makes the industry so interesting and rewarding.

*“IT isn’t fixed.
The industry is
highly dynamic
and technology
is always
changing.”*



Abenomics and Japanese youth

How are they faring?

How are Japanese young people faring under Abenomics? Youth is an especially precious resource in an ageing country, and Abe's policies towards young people are, therefore, of particular interest.

One useful metric to examine is suicide. Here we find that although the Japanese government's anti-suicide policies have been remarkably successful in recent years for most age groups, they have been far less successful for many young people. Indeed, according to a 2013 government white paper, the 20-29 age group has seen its suicide rates continuously increase since 1998. In fact, from a rate of 14 deaths per 100,000 in 1997, the 2012 suicide rate for the 20-29 age group was 23 deaths per 100,000 – an increase of over 50%.

Suicide in Japan is the leading cause of death among people aged 15-24, the only developed country where this is the case. Accidents are the leading cause of death in most other developed countries, often automobile-related.

The youth trend contrasts sharply with the decline in the overall suicide rate in Japan from 40 suicides per 100,000 (in 1997) to 31 in 2012.

Suicide in Japan has been considered a serious problem since 1998, when the total number of people who killed themselves rose to 30,000 for the first time (a 50% jump). Many observers point out that Japanese businesses were carrying out major restructuring at the time, in the wake of the Asian Economic Crisis, which started in 1997. The media often focused on victims who were

middle-aged salarymen. This group did suffer more than any other, but their suicide rate peaked in 2003 and has been trending down ever since.

So what is going on in the minds of young people? Not everybody feels that the plight of young people is so dark. Noritoshi Furuichi, a celebrity sociologist, argued in a provocative recent 2011 book, *The Happy Youth of a Desperate*

stood at 30%, the figure in 2014 has climbed to almost 40%. Non-regular employees have none of the benefits of regular employees and are paid much less.

Of course, suicide is not solely an economic or financial phenomenon. Young people may kill themselves due to the stresses of coming into adulthood, such as trying to lead gainful lives, becoming

independent, finding friends and partners, and acquiring qualifications. The government's own research claims that health issues are the biggest single motive for youth suicide, although this seems puzzling. Other experts blame the

under-reporting and misdiagnosis of mental health issues in Japan.

It will be interesting to see how youth suicide evolves under the second pillar of Prime Minister Abe's policies, namely, his more assertive foreign policy, and his calls to move on from the trauma and guilt of World War II. It might even be that young people find such an attitude rewarding and exciting, and will respond to the idea of a strong leader who can provide a sense of direction.

It would, however, be bitterly ironic if the beneficial effect of decreasing youth suicides resulted from policies that aggravate political tensions with Japan's neighbours.

Only time will tell. ☺

“SUICIDE IN JAPAN IS THE LEADING CAUSE OF DEATH AMONG PEOPLE AGED 15-24, THE ONLY DEVELOPED COUNTRY WHERE THIS IS THE CASE”

Country, that young people today are happier than they have ever been.

Although many face looming problems such as finding full-time work or looking after their pensions, young people are shielded by their parents' accumulated wealth, deflation in food and clothes prices, and the Internet, which provides a platform for both passive entertainment and creative collaboration.

Under Prime Minister Shinzo Abe, the good news is that jobs are increasing. Since Abe came to power in December 2012, the unemployment rate has dropped from 5.5% to 3.5%.

However, wages are another matter. Even including regular employees, wages across all sectors have come down under Abenomics in real terms, down 2.7% in 2014 from the previous year.

And under Abe, the employment of non-regular workers has continued to rise. Since 2003, when the proportion



DAN SLATER
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All in good taste

FOODEX Japan 2015, 3-6 March, 2015

Text and photos **MIKE DE JONG**

It's a cross between a scone and a pancake," laughs Welsh food consultant Nerys Howell, pointing to some mouth-watering cakes from her country at FOODEX Japan 2015, held at Makuhari Messe in Chiba.

"We also have a bara brith," she adds. "It's a speckled bread. The dried fruits are soaked in tea overnight. So that makes a very moist loaf."

The tasty cakes, treats and other eats were part of a Welsh food showcase by seven producers who, like thousands of others, attended the annual food exhibition with the hope of gaining a foothold in this lucrative market.

"This is the world's oldest beer," says Finnish brewer Mats Ekholm of Stallhagen, his flavourful product that he hopes will soon be available

in Japan. "It was found in a ship wreck and recreated by us. This beer probably came from Belgium. So we went to the University of Ghent and did further studies, recreating it at the technical brew centre."

Ekholm believes his product will be popular with Japanese craft beer lovers. All he needs is a local importer.

"The feedback we're getting is just astonishing," he says. "They really like the beer and so we're hoping for a base in Japan."

Celebrating its 40th anniversary, FOODEX is Asia's largest food and beverage trade show. This year's event attracted nearly 3,000 exhibitors from 79 countries and regions, including

hundreds from Europe. The 3,500 booths offer delectable displays that run the gamut from traditional to unusual – German red wine, Welsh cheese, Finnish beer and Turkish pasta.

Many of the exhibitors were from small, family-run operations responsible for their own sales and marketing. FOODEX gives them a chance to reach about 75,000 trade professionals. For example, Guilia Alfieri flew in from Northern Italy, to show off her firm's

And what would FOODEX be without wine? Dozens of producers were represented, from most of the world's main wine-producing regions. In fact, FOODEX is actually credited with introducing European wine culture to Japan.

"[Japan] is a very big market for us," says Burgundy vintner Vincent Gros, whose family-run vineyard, Domaine Gros Frère et Soeur, has been exporting to Japan for 25 years. "We sell 50% of

our product [here] every year. We have many importers, and you can find our products in many shops.

"I think that [Japanese] cooking associates well with Burgundy wine," he adds. "It's a beautiful blend."

One of the appeals of the Japanese market for foreign producers is the discerning nature of Japanese



specially produced flour, which is used in pastry, pizza, bread and pasta.

"We have more than 300 kinds of flour," she says of Molina Dallagiovanna, a firm that has been in business since 1832. "This is [our] sixth generation [in production]. We have a small distributor [in Japan], but we are searching for others."

Italian and French products are always popular at FOODEX, as evidenced by the long lines for tastings of fresh pasta, olive oil, meats and cheeses. But the fine fare of many other European nations is also on display to tantalise the taste buds, including salty Spanish ham, rich Belgian chocolate, zesty Czech beer, and a host of tasty cakes and treats from the UK.

consumers. Gros says he appreciates that people here value fine tastes – and don't mind paying for them. Other FOODEX 2015 producers agree.

"Japanese people and companies demand high-quality products," says Cevher Yaşar of the Turkish Pasta, Pulses, Bulgur and Vegetable Oils group [or MBTG]. "So our companies try to supply that. If you have the quality, they will buy it."

"We have worked together for 20 years," adds Spanish olive grower Manuel Barruz Montalvo, of Aceitunas de Perales.

"It's a good market because Japanese people appreciate quality, and our olives are quality products." 

Medical Equipment//

Beyond the PAL

Text **GEOFF BOTTING**

Predictability is important. If you're a company and making big investments, you simply need to know, with a fair degree of certainty, what your costs, spending and other eventualities are going to be several months, or years, down the road.

That's especially the case for companies with operations abroad, where business conditions may vary widely from those at home. And it's even more so for those in the medical devices industry. Firms that make healthcare equipment need to know how much reimbursement from insurance they can expect to receive for their products. And when they submit a new product for approval, the process can be a case of waiting and hoping for the best, all the time worrying about the impact on the bottom line.

"Without a clear view or plan [by local authorities], it becomes difficult for us to invest in the Japanese market, or pursue certain assumptions or hopes," explains Danny Risberg, EBC Medical Equipment Committee chairman. "We should know the amount of reimbursements, and be able to plan for

Key advocacy points

- **Revision of the Pharmaceutical Affairs Law (PAL)** - The government should ensure that the law, when implemented, gives full consideration to the characteristics of medical devices, as intended in the legislation.
- **Mutual recognition and alignment of QMS** - The government should recognise that QMS audits in the EU provide sufficient evidence of compliance with QMS requirements.
- **Reimbursements** - The system should be continuously reviewed so that it promotes the swift introduction of products with appropriate insurance coverage.

receiving approvals, so that we can properly invest to sustain and grow our businesses."

The length of time for product approval has been a long-standing issue for the committee. In past years, members have complained the periods were

unnecessarily long. The lags have since shortened for many types of products, although the committee feels there are still areas for improvement regarding medical equipment under certain classifications.

"The PMDA [Pharmaceuticals and Medical Devices Agency] gives us a lot of questionnaires and enquiries and so on, so we need the time to exchange the information and the data," says committee vice-chairman Shoji Toyofuku. "Therefore, we expect them to manage enquiries and responses appropriately within an adequate period for approval and application, as doing so is of mutual advantage."

As for reimbursements, they have seen some progress over the years in terms of reflecting the true clinical value of new products with innovative features. Some pricing of medical devices is already at the same level as in other countries, although that's not always the case, according to Risberg. "Evaluation of innovation of technology is not well recognised yet for such things as home healthcare medical devices," he says.

Still, the committee has good reason for hope: the old Pharmaceutical

Affairs Law (PAL) has been phased out, replaced in November by a thoroughly revised piece of legislation called the Law for Ensuring the Quality, Efficacy and Safety of Drugs and Medical Devices [commonly called the Pharmaceuticals and Medical Devices Act, or PMD Act]. Under the PAL, devices were lumped together with pharmaceuticals in terms of regulations. Now the two are treated separately.

One of the new act's main objectives is to speed up approval and launch times of new devices. The committee, whose member companies number in excess of 30, was extensively involved in drawing up some of the revised measures.

"I'm very satisfied with the process, and looking forward to seeing the formal, or real, implementation of the new law," says Risberg, who adds he was pleased by the "openness" of the government officials and others involved.

The PMD Act calls for the full adoption of ISO standards for the Quality Management System, a series of procedures to meet quality goals. Even so, the authorities continue to maintain some

unique Japanese requirements, which can prove to be troublesome.

"It's not a really big problem, but we need to explain things to our colleagues in Germany, for instance, because they also need to meet these requirements," points out Toyofuku, a director and division manager at Siemens Japan.

Another aspect of the PMD Act is aimed at giving a boost to Japanese makers of medical devices. The idea is to harmonise Japanese regulations with international ones, which would give Japanese companies easier access to foreign markets.

The move is in line with an initiative of Prime Minister Shinzo Abe's administration, which has identified healthcare as a "growth driver".

Risberg, CEO of Philips Japan, says he is not particularly concerned about a scenario where domestic manufacturers are supported and promoted to the exclusion of foreign ones, although he adds he hopes the government will maintain an open approach to non-Japanese players.

Toyofuku also says he welcomes the initiative. He notes that the Japanese firms would find it difficult to enter new

foreign markets on their own. That, he says, could provide a push for the harmonisation process.

"If we could make some mutual agreement between Japan and the EU, then most countries in the world would recognise that [approach] as serving as a kind of standard. They would say, for example, 'We don't need to investigate details of dossiers for our applications'," says Toyofuku.

He adds that Japanese manufacturers trying to gain a foothold in an unfamiliar market could be in for an eye-opening experience. "They would find themselves at the same kind of stage as us here," he says.

Another possible impetus for harmonisation would be the conclusion of current FTA-EPA talks between Japan and the EU. The committee is calling on negotiators to lift the various non-tariff barriers affecting its industry, so that speed, efficiency and competition prevail.

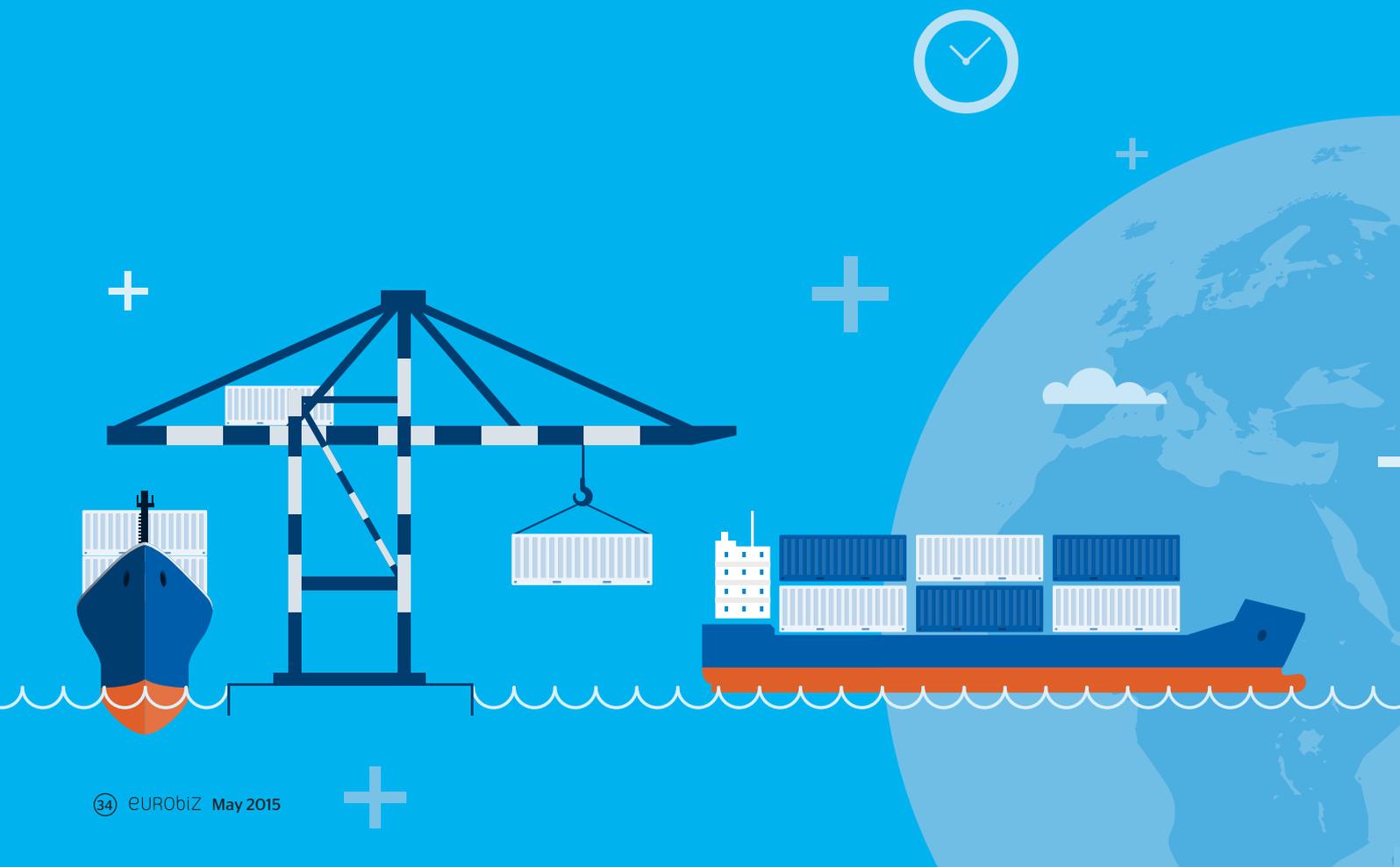
Risberg says, "It is clear with the demographics of Japan, we need to utilise the limited healthcare budget in the most efficient manner so that we can offer the best care to patients." 

Delivering on promises

Logistics and storage are about fulfilment

Text **DAVID UMEDA**

Every industry has its benchmarks, yet delivering the goods is so often what counts in the end. Logistics, therefore, holds a unique position. Before making a choice of who to move or store your products, there are important considerations to be weighed. In Japan, especially, delivering on promises makes good business sense.



Personal touch

Along with technological advances and greater reliance on IT, logistics or storage is still about how you handle people.

"Nowadays, IT tools have become very important in streamlining the logistic processes," points out Paolo Mazziotti, Managing Director at a.hartrodt Japan Co., Ltd. "Yet, we still believe that direct contact with both our clients and suppliers is irreplaceable and the key aspect of our mission."

At a.hartrodt Japan, they take pride in their staff especially. "They deliver high-quality operations, and are able to listen and match our partners' every expectation," adds Mazziotti.

For Asian Tigers Mobility Japan, "Quality handling of people is having quality strength of understanding [about] the various personalities you are working and dealing with," explains Dan Kuss, Move Management Specialist. It also entails Asian Tigers Mobility providing "quality of communication" that clients are looking for and can rely on. "In other words, nothing less than quality in every aspect of fulfilling their logistics needs," Kuss adds.

Asian Tigers Mobility Japan breaks down effective handling of people into

four basic components: "commit to personalised communications; actively deliver leading solutions; understand individual needs; and support through knowledge and skill development".

Issues of compliance

Free trade agreements create unique challenges when it comes to logistics or storage.

"A key response to such challenges, indeed, is our special Import Duty Refund Plan, whereby duty paid for import goods can be returned by re-exporting them," explains Takashi Suzuki, Managing Director at DSV Air & Sea Co., Ltd. "We encourage our clients, both here and abroad, to tap into our know-how of current and future policies impacting logistics, so moving products across the globe – into and from Japan – remains cost-effective."

Other deciding factors

Selecting experts in logistics or storage is not just about price and expediency.

"After all, you are entrusting that company with the handling of your valuable products," emphasises Herbert Wilhelm, President and CEO of Schenker-Seino.

Points to consider are the provider's network.

"Are they only strong in Japan, or also in the country of origin for imports; or destinations, for exports?" he poses. "What is their market position?"

Wilhelm states that these strengths reflect the influence and buying power towards carriers such as airlines or shipping lines.

"Finally, take a look at the organisational structure," he continues. "Is the hierarchy flat and transparent should an escalation become necessary?"

According to GLP Japan, coupled with a growing e-commerce, businesses are increasingly driven to have an efficient distribution network throughout Japan catering to the end-customers' demand for accurate and quick delivery.

"We have the largest network of modern logistic facilities equipped with features including seismic isolator, back-up power generation, groundwater usage, and security control at our Disaster Prevention Center," points out Yoshiyuki Chosa, President of GLP Japan.

This capability ensures operational continuity in case of an emergency, he explains, "enabling improved distribution capabilities and reaching customers efficiently, and also serving as a society's infrastructure."

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DSV Air & Sea



7,000 employees

Strong global network

More than 830,000 TEUs of seafreight annually

More than 280,000 tons of airfreight annually

DSV Road



9,000 employees

More than 200 road-freight terminals in Europe

More than 20,000 trucks on the road every day

Handles more than 20 million consignments annually

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Spring Forth

Hakuba means “white horse” and spring is when its namesake can be seen emerging from the terrain on Mount Shirouma-Dake, as the melting snow leaves the shape of a horse on the rocks. With the image’s annual appearance, locals would know it was time to get out their plough horses and prepare the rice paddies, and that springtime was in full swing.

As with all of Nagano’s four seasons, this time of year is unlike any other. While the greenery and colours invade the valley, the mountains manage to hold onto their snowy caps. Locals invest their time in the rice paddies, planting seedlings in the fresh, clean

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water from the springtime snowmelt. A lifeline for Hakuba agriculture, this phenomenon acts as a natural irrigation for the fields. Animals creep out of hibernation and temperatures warm to pleasant degrees; and as with every other shift of the seasons, activities for guests change, too.

Mountain biking is one of many ways to see these changes first-hand, whether you are a seasoned rider speeding through the mountain forests

or a first-timer cruising through the town-site and peddling by the river. These are fabulous ways to pass the time in Hakuba’s spring season. One way to ensure the very best experience is to hire a professional guide, who can share with you not only expertise in mountain biking, but copious amounts of local knowledge, too.

Alongside mountain biking, activities such as canoeing and kayaking are great choices for this time of year, allowing a chance to appreciate nature’s changes from the calm waters of Lake Aokiko.

Evergreen Outdoor Center can arrange for such tours, which we operate from spring through fall. Whatever your age, ability-level or type of group, our guides will gladly show you the best of Hakuba this spring.



Taste of Nippon >



Shiro Yamada's craft beer for Japanese tastes

Text **MIKE DE JONG** Photo **GENEVIEVE SAWTELLE**

White wine goes with fish and red wine with red meat."

It's common practice to match certain types of cuisine with wine or even sake. But what about beer? Can such a common, everyday beverage be brewed for fine food tastes, too?

Shiro Yamada thinks so. His company's signature beer "Kagua" is produced specifically for Japanese cuisine.

"Before craft beer came out, people just drank beer quickly," he says. "A quick pint and then move on. The thing is, beer has a lot of styles and some are suitable for pairing. Beer has a lot of flavours that can make your cuisine complex."

Kagua, developed in Japan and brewed in Belgium, is the signature product of Yamada's Nippon Craft Beer company. Marketed as "scented ale", Kagua is flavoured with hints of Japanese spices *sansho* [pepper] and *yuzu* [citrus fruit]. Yamada believes these special tastes make his beer the perfect complement for Japanese fare like sushi, tempura and yakitori.

"I know from my experience in Europe that there are a lot of beer styles and that people choose beer for speciality food," explains Yamada. "That inspired me."

Specifically, the Nagoya-born entrepreneur got the idea for matching food with beer while studying at the University of Cambridge. An alumnus of Indian descent developed his own beer

to pair with hot curry dishes. So Yamada decided to do the same thing in Japan.

"That hit me," he says of his colleague's initiative. "At that time, I was just like him, in his early stage. I had no beer background. But since he could do it, I thought I might be able to do it, too. And from that point, I had the idea for [creating] an original beer to pair with Japanese food."

After first working as a venture capitalist and dot-com entrepreneur, Yamada established Nippon Craft Beer. Initially lacking funds to build his own brewery, Yamada did the next best thing – partnering with up-and-coming Belgian brewer Wim Saeyens to produce an award-winning beer.

"He's very young and quite new," says Yamada of his European brew master. "He's keen on new things. When I brought *sansho* and *yuzu*, people said, 'Are you serious, putting those things in beer?'"

"But when I first met [Saeyens], I brought him a package of dry *sansho*. And he said, "Wow! Amazing! I'd like to use this for beer."

Thus, Kagua beer was born. Available in lighter "blanc" or darker "rouge", Kagua has three main features: a rich body, an aroma of Japanese spices, and a smooth, gentle finish due to a low level of carbonation.

"We do a bottle fermentation," says Yamada. "The second fermentation is inside the bottle, just like champagne. So we get smooth, gentle and natural carbonation."

Yamada believes this gentle carbonation is the key to pairing his beer with fine cuisine.

"When you drink beer with some food, you usually feel full with the gas," he says. "But with natural carbonation, you don't feel that way."

Recently, Yamada developed a lower-cost product dubbed "Far Yeast" beer. Longer on hops and lower in alcohol content, Far Yeast is marketed as an easy-drinking, refreshing beverage for hot and humid Asian summers.

With Far Yeast yet to be sold overseas, Kagua remains Yamada's main product. Priced about three-times higher than regular brew, Kagua has proven so popular that demand has outstripped supply. Now available in places like the US, the UK, France, Singapore and Hong Kong, Kagua can be found in more than 1,000 restaurants, hotels and shops around the world.

Nippon Craft Beer plans to establish its own microbrewery in Chiba next summer, making Yamada's firm one to watch in Japan's emerging craft beer industry.

"The thing is, Japanese restaurants all over the world are regarded as very high-end," he says. "But the bad thing is, most of [them] serve beers available at the convenience store. That sounded very strange to me."

"At French restaurants, the finest chefs don't serve French table wines for fine dining. The same thing shouldn't happen with beer." 



Interview choices

Well Done! You've written a beautiful resume, spoken with your recruiter, discussed several positions, applied to a few of them and, finally, a company has expressed interest in your background. Great job! You have an interview, a great step forward.

Now, before you get too excited, try to step back and fully understand what is the point of this interview? Why did the company invite you? Why do they want to meet you? Is it because they want to learn about your experience, your skills, your education, your qualifications, or your language skills? No, in reality, they are not *that* interested in that information. In your resume, you clearly outlined all of these points already; and, therefore, the company already knows these answers – and the company

will utilise this interview to simply confirm the answers.

Therefore, again, what is the point of this interview and, for that matter, all other interviews?

This question is rarely considered and the answer is widely unknown, even to the people conducting the interviews. Frankly, the main point of an interview is for the company to understand, if they hire you, what are all of the potential risks and what are all of the potential rewards. With this in mind, it is quite easy to deduce that, if the company feels your rewards far outweigh your risks, you have then succeeded in the interview.

This logic then begs the question: “Then how do I display my rewards and *hide* my risks?” This is far easier than you

think – but real self-analysis is required. Firstly, gain a deep understanding of the professional qualities that most companies look for in employees: i.e., professionalism, positivity, being self-motivated, acting as a team player, communication skills, integrity, self-analytical, and flexibility. With these points firmly set in your mind, ensure that your interview answers are connected to at least one of these qualities.

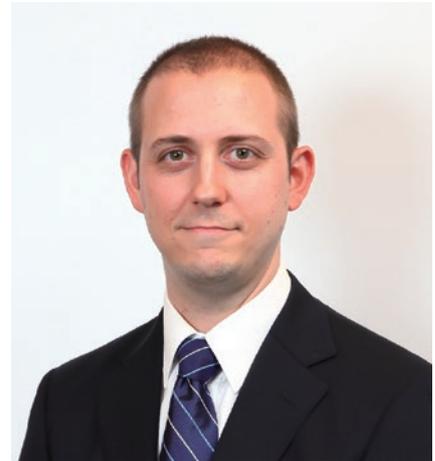
Utilising the same philosophy, companies will quickly and strictly avoid a job seeker who displays any of the opposites of the aforementioned professional qualities. If you come across at all negative in the interview, your interview is finished. If you come across as a selfish, independent person who dreads teamwork, you will most certainly be rejected. If you give the

impression that you don't take well-constructive criticism, again, your interview is over. Now, most

people will say, “of course, I would never say these things” but, in reality, you may. You will say them with different words and in a different context. The interviewer, consciously or not, will ask questions that will allow your real personality to surface. A question like, “Why did you leave your last job?” will automatically spark some negative emotions inside the job-seeker, as most people change jobs because of a negative reason. Being able to observe anyone speaking about a negative situation will “teach” volumes about that speaker.

Another question that will be asked is also one of the most cliché questions in the “How to Interview” handbook:

Display professional qualities through your answers



**James Perachio, Operations Manager,
Intelligence Global Search**

“Tell us about your weakness.” The old adage of “take a weakness and turn it into a strength” no longer holds true, as competition for each position continues to rise. The “I work too much” or “I am a perfectionist” are no longer suitable answers, as they offer absolutely no new information about you. So, why not talk about a real weakness? Why not talk about a weakness that you discovered by yourself, and then talk about the steps you are taking right now to *fix* that weakness? That answer shows the interviewer countless positive traits about you, such as confidence, professionalism, positivity, being self-analytical and self-motivated.

Therefore, when preparing for your next interview, try focusing on how to display the professional qualities mentioned above *through* your answers. Focus on how to display all your potential rewards, and do not focus on the risks. If done correctly, the company has no reason to reject – and you will be that much more successful in your interviews.



Towards more women in the Japanese boardroom

And not just serving tea

Take the ratio 3.1%. It represents the share of board seats held by women in Japanese companies, according to a 2014 survey by Catalyst, a leading non-profit organisation focused on expanding opportunities for women and business. Norway leads the way with 35.5% of board seats, the UK 22.8%, and the US 19.2%.

A new corporate governance code published in March by the Tokyo Stock Exchange and the Financial Services Agency is a step in the right direction. It includes a principle on Ensuring

Diversity and Including Participation of Women: "Companies should recognise that the existence of diverse perspectives and values reflecting a variety of experiences, skills, and characteristics, is a strength that supports their sustainable growth.

As such, companies should promote diversity of personnel, including the active participation of women."

While these measures are not mandatory, when they are introduced later this year, firms are expected to comply or explain why they cannot.

In the spirit of this new corporate governance code, adding women to the board can be done in either of two ways: one would be to appoint women as independent board directors, such as the current ANA independent director, Izumi Kobayashi, former President of Merrill Lynch Japan and Executive Vice

President of the World Bank. However, how many Izumi Kobayashis are there? Not enough to go round all the listed companies in Japan (the Tokyo Stock Exchange alone has 2,292 listed firms).

The other way is to promote from within. This will require raising the number of women managers at Japanese companies, in order to have a pool of talented internal candidates from which to choose.

With Womenomics a core part of Abenomics, the government has set an ambitious target to have women

occupying 30% of senior managerial roles by 2020, in order to boost the domestic economy. The economics makes sense. A 2012 IMF Report noted that Japan could increase its per capita gross domestic product by nearly 10% simply by increasing the number of women in the

workforce to the levels seen in northern Europe. Current female participation in the Japanese labour force is only 63%. It's 76% in Norway.

However, in order to raise the number of women at managerial levels in companies here, the first challenge is reducing the number of women who drop out of the workforce – or making it easier for them to re-enter the workforce. In 2010, the Japanese Ministry of Internal Affairs and Communications published a survey of why Japanese women were not participating in the workforce. Housework was cited by 34% of respondents, while

14% said working hours. When women in Japan have their first child, 70% of them stop working for a decade or more, compared with just 30% in countries like the US. Many of the 70% are gone for good.

In 2012, women made up 77% of Japan's part-time and temporary workforce.

How can Japan reduce the number of women dropping out of the workforce and entice those who left for child-rearing reasons to get back in? In an *ACCJ Viewpoint*, we asked the government to:

- Expand after-school care programmes to include children from years 4 to 6 (and to 8:00 p.m.), thereby allowing women to accept management positions that they may otherwise turn down.
- Adopt more flexible immigration laws to allow for home help for families.

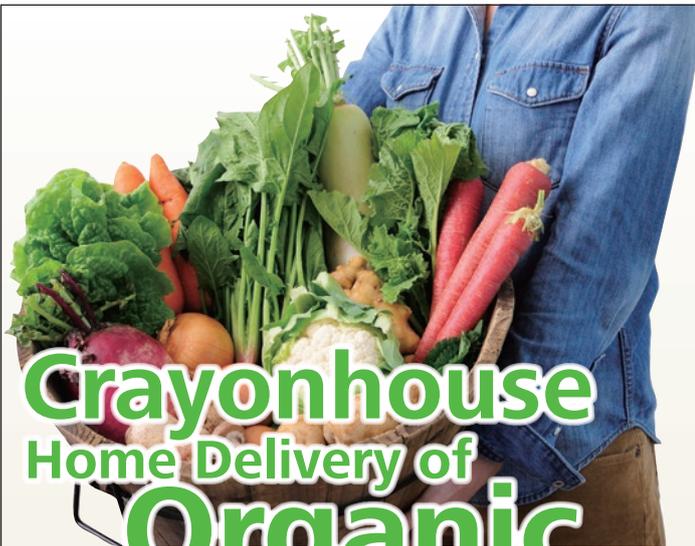
The Abe government has already stated an objective is to improve preschool childcare facilities, one of the biggest drawbacks to women returning to the workforce. However there is work to be done. Temporary labour contracts need to be overhauled, as does the current practice of overtime. These measures will benefit not only women, but also men.

Ultimately, as more firms begin to see the benefits of having a greater number of women in management – and therefore more board candidates – the resulting economic growth may benefit Japan as a whole. 

“
WHEN WOMEN IN JAPAN HAVE THEIR FIRST CHILD, 70% OF THEM STOP WORKING FOR A DECADE OR MORE
”



DEBORAH HAYDEN
of Edelman Japan is co-chair of the ACCJ Women in Business Committee.



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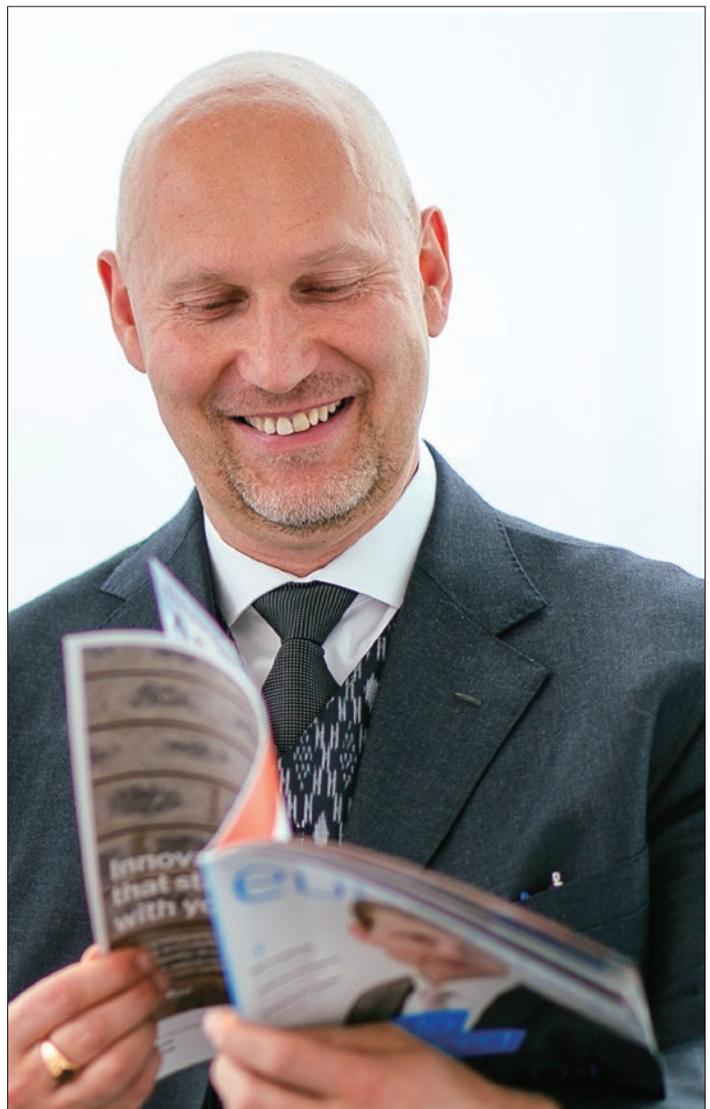
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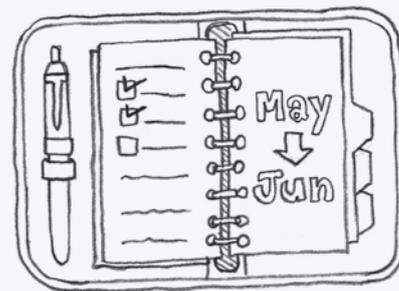


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reads
eURObiZ JAPAN

Upcoming events



► **Belgian-Luxembourg Chamber of Commerce in Japan**

www.blccj.or.jp

Monthly Beer Gathering

18 May, 15 June, Mondays, 19:00-23:00

Venue: Belgian beer café in Tokyo

Fee: Pay for what you drink

Contact: info@blccj.or.jp

Belgian shop at Belgian Weekend Yokohama

21-24 May, Thursday-Sunday, times to be confirmed

Venue: Yamashita Park, Motomachi-Chukagai

Fee: Pay for what you buy

Contact: info@blccj.or.jp

Delighting Customers in Japan XIV seminar

23 June, Tuesday, 18:30-21:00

Speakers: Joel Peterson, UCB Japan Co., Ltd.; Per Rasmussen, Managing Director, Groupe SEB Japan Co., Ltd.; and Phillip Rubel, CEO, Saatchi and Saatchi Fallon Tokyo

Venue: BNP Paribas, Marunouchi

Fee: ¥5,000 (members), ¥6,000 (non-members)

Contact: info@blccj.or.jp

► **Finnish Chamber of Commerce in Japan**

www.fcc.or.jp

FCCJ Luncheon Meeting

"The Moomin Story in Japan: A lot of hard work, but also some good luck"

1 June, Monday, 12:00-14:00

Speaker: Roleff Kråkström, managing director, Moomin Characters Ltd.

Venue: Hotel Okura Tokyo, Kensington Terrace

Fee: ¥6,000 (members), ¥8,000 (non-members)

Contact: fccj@gol.com

► **French Chamber of Commerce and Industry in Japan**

www.ccfj.or.jp

Business Continuity Plan Seminar

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

Speaker: Pierre Sevaistre, risk management Consultant, PMS Associates

Venue: CCIFJ

Fee: ¥4,500

Contact: a.calvet@ccifj.or.jp

Bonjour France – French Week at Isetan Shinjuku*

20 to 26 May, Wednesday-Tuesday, 10:30-20:00

Contact: d.devitton@ccifj.or.jp

*60 French brands available for first time in Japan

CCIFJ Marketing Committee Event

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

Speaker: Florence Bossard, head of marketing, Danone

Venue: CCIFJ

Fee: ¥3,000

Contact: a.calvet@ccifj.or.jp

► **Ireland Japan Chamber of Commerce**

www.ijcc.jp

IJCC 3rd Thursday Networking Event

21 May, 19:00-

Venue: *Slainte, Ebisu*

No admission fee and non-members are welcome!

► **Italian Chamber of Commerce in Japan**

www.iccj.or.jp

Italian Olive Oil Day

30 May, Saturday, 11:00-19:00

Venue: TV Asahi "umu", Roppongi Hills

MAY

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31						

JUNE

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Fee: Free entrance

Contact: support@iccj.or.jp

► **Multi-chamber event**

Japan's Revitalization Strategy and the Key Role of the Medical Device Industry*

18 June, Thursday, 12:00-14:00

Speaker: Hiroshi Tsuchiya, director, Medical and Assistive Device Industries Office, International Business Promotion Office, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

Venue: Tokyo American Club, B2, Manhattan Room

Fee: ¥4,400 (members)

Contact: ebc.mec@philips.com

* EBC, American Chamber of Commerce in Japan, and American Medical Devices and Diagnostics Manufacturers' Association

Compiled by **DAVID UMEDA**

Yoko Megro

Lasting impressions

Photos **GENEVIEVE SAWTELLE**

Yoko Megro loves using a letterpress. So much so, she started her own company, making greeting cards and doing custom printing of business cards and family announcements. Megro believes that a letterpress leaves a beautiful impression on paper and a personal touch. Her printing machine is an antique Japanese press. 

www.megropress.com





Naeem Iqbal

*Managing Director,
Intelligence Global Search (IGS)*

As the Japan-based international recruitment arm of the Intelligence Group, Intelligence Global Search (IGS) taps into a network of well over 5,000 staff throughout Asia. It also has partnerships with over 20,000 companies, and is able to leverage these resources on behalf of clients and candidates.

"IGS was created to help Japan globalise, and is a magnet for the kind of talent sought by vigorous, expanding global businesses," says Naeem Iqbal, IGS managing director. "We consult on your recruitment needs and offer value-added services with tailor-made solutions. We take pride in maintaining the highest quality in our database." 



Photo **BENJAMIN PARKS**



ACTELION PHARMACEUTICALS JAPAN LTD.

Actelion Pharmaceuticals Japan was established in 2001 to meet the medical needs of patients with pulmonary arterial hypertension in Japan. Since its foundation the company has established a significant presence in the pharmaceutical market and also provides clinical development for the specific needs of the Japanese Health Authorities. The organization also has a central role for East Asian cross-border clinical development activities, such as in South Korea. In 2014 Actelion Pharmaceuticals Japan contributed 9% of Actelion's total product sales.

ACTELION LTD.

Actelion Ltd. is a leading biopharmaceutical company focused on the discovery, development and commercialization of innovative drugs for diseases with significant unmet medical needs.

Actelion is a leader in the field of pulmonary arterial hypertension (PAH). Our portfolio of PAH treatments covers the spectrum of disease, from WHO Functional Class (FC) II through to FC IV, with oral, inhaled and intravenous medications. Although not available in all countries, Actelion has treatments approved by health authorities for a number of specialist diseases including Type 1 Gaucher disease, Niemann-Pick type C disease, Digital Ulcers in patients suffering from systemic sclerosis, and mycosis fungoides type cutaneous T-cell lymphoma.

Founded in late 1997, with now over 2,400 dedicated professionals covering all key markets around the world including Europe, the US, Japan, China, Russia and Mexico, Actelion has its corporate headquarters in Allschwil / Basel, Switzerland.



When your next hire in Supply Chain is critical, one name should **Spring** to mind.



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Spring Professional Japan focuses exclusively on the recruitment of middle to senior level management and specialists within the engineering, supply chain and IT sectors.

We can help you to build the right team to take your business to the next level.

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Spring Professional Japan

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