



KEIZAI SOCIETY

US-JAPAN
BUSINESS
FORUM
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Santa Clara, CA
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American-Japanese Interaction at the Working Level

The Explosion of Japanese Internet Companies in Silicon Valley: A New Generation of Japanese Companies?

Guest Speakers



Akinori Koto
Vice President, Digital
Garage US Inc.



Sho Masuda
Vice President of
Player Marketing,
GREE International.



Hiroshi Nakano
CEO, 1Dollarscan.
com (zLibro Inc.)



Phil Keys
(Moderator)
Free lance Journalist
and Principal at
Maido Media.

Over the last decade, a new crop of Japanese companies nurtured in the domestic Internet market have appeared. Many are now extending their activities to the epicenter of the Internet economy, Silicon Valley. Has their experience in the Japanese market provided them with insights to help

guide their strategy here? Do these companies represent a new breed of Japanese enterprises compared to the more established technology players? In keeping with our theme of *"Japan in Transformation,"* join us in a discussion with executives of these new companies to help answer these questions.

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Please RSVP by July 15th, 2012 to reserve your place! @ <http://www.keizai.org>

DATE

Thursday,
July 19th, 2012

DRESS

Business casual

FOOD

Sushi and Beverages

LOCATION

Oshman Family JCC
(Jewish Community Center)

Taube Koret Campus,
F-401, 4th Floor, Freidenrich
Conference Center

3921 Fabian Way
Palo Alto, CA 94303

TIME

Registration/Networking:
5:30 P.M. — 6:00 P.M.

Program:
6:00 P.M. — 8:15 P.M.

Networking:
8:15 P.M. — 9:00 P.M.

FEES

\$15.00: Early Bird Discount for First 30 Registrations by Sunday, 07/01/2012, 11:00 P.M.
\$20.00: Regular Registration by Sunday, 07/15/2012, 11:00 P.M.
\$35.00: Late Registration by Wednesday, 07/18/2012, 12:00 P.M.
\$50.00: Walk-ins (Seats are limited and may not be available)

Sold out

From the President



Thank you to all who attended our May 4th forum *“Strategies for Japanese Start-up Funding and Expansion”*. Starting with this event, we implemented an early bird discount registration program, which was very popular and sold out quickly. This also helped in eventually selling out the entire event for a full house. Instead of our usual format of 15-minute presentations by each speaker, we went with a short opening presentation by the moderator, and then the rest of the session was interactive questioning and discussion, which the audience greatly enjoyed. The deep knowledge of the forum presenters also made for a fascinating evening. Continuing on the success of our May forum, our upcoming July forum was sold out three

weeks prior to the event. In order to accommodate many of you on the waiting list and to accept again new registrations, we have just changed the venue to a larger conference facility at **Oshman Family JCC (Jewish Community Center) in Palo Alto**. Please see more detail on our home page. www.keizai.org.

This month we also want to thank our outgoing Keizai Society staff member **Kristen Jacobsen**, who has tirelessly produced content for our newsletters and the introduction of our sponsors at each event. We also welcome new staff members **May Kao** and **Atsushi Mizushima** to the team. Our next event following this month's forum will be our **summer networking picnic scheduled for August 12th**. Mark your calendars, and we hope to see you there!

Sincerely,

Chimmy Shioya
President, Keizai Society

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Featured Panelists and Moderator



Akinori Koto is Vice President, Digital Garage US Inc.: Aki joined Digital Garage, a company involved with venture capital and business incubation, in May 2003 and has over 9 years of experience with product/engineering/marketing. Aki arrived in Silicon Valley in March

2008 and has worked with Technorati, Twitter and Path to introduce them to Japan. Aki has been a “picker” for Digital Garage to select great startups in Bay Area to invest in and bring to Japan.



Sho Masuda is Vice President of Player Marketing, GREE International: Sho Masuda joined GREE, the mobile social gaming company, in December 2010. Prior to GREE he spent 9 years in consumer marketing and promotion. He has launched brands such as

Sony's VAIO and Fast Retailing Co.'s HEATTECH products, turning both into successful global products. Sho is currently responsible for marketing GREE's mobile social games and introducing the GREE brand to the U.S. market.



Hiroshi Nakano has been CEO at zLibro Inc. which operates 1dollarscan, a service for scanning books for delivery and archive over the Internet starting in July 2011. Before joining zLibro's affiliate company in Japan Bookscan, Hiroshi has held managing positions

at ITOCHU Technology and the major Japanese e-commerce firm Rakuten.



Phil Keys is a free lance journalist and Principal at Maida Media. He previously worked for 14 years as a US correspondent for the Japanese publishing firm Nikkei Business Publications. Phil has also worked in the technology industry in both the US and Japan.



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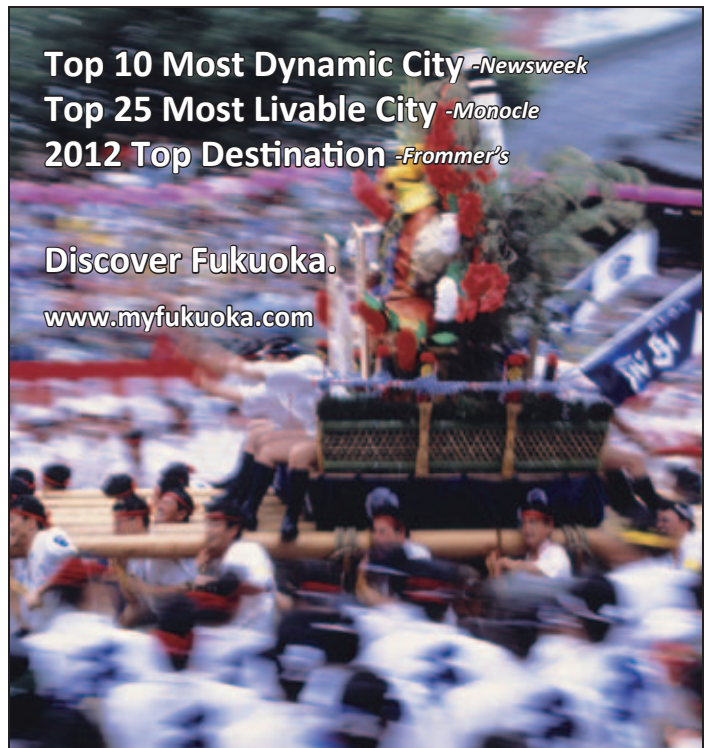
Forum is an all volunteer business and professional networking organization based in the San Francisco Bay Area. One of its primary purposes is to provide a venue for programs that showcase specialists with expertise on issues critical to the success of entrepreneurs and companies doing business with Japan and the U.S. Please visit www.keizai.org for more information. **Keizai Society's theme for 2012 is “Japan in Transformation.”** It encompasses commercial entrepreneurship and new venture formation as well as social entrepreneurship, new patterns of employment, corporate reform and many other critical priorities that are already breathing new life into Japan's business community and its other institutions.



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How Does the Internet Differ in Japan from the US?

— By Joe Quinlan
Keizai Society Content Manager

Keizai Society's July 19th Forum will engage the fascinating topic of "The Explosion of Japanese Internet Companies in Silicon Valley". When I first heard this topic, my thoughts ranged to "Well what are the basic differences between the internet in Japan and the US?" In both Japan and the US, the internet really started taking off in the mid-90's. But there have been some differences over the years. Below is my list of observations; I'm sure you will have your own. As you read through this article, feel free to think of the ones I have missed, and perhaps bring your observations for discussion during the networking time at the July 19th Forum.

1. Japan was slower to adopt the internet. During the late 90's, there seemed to be a time lag of three years or so between the US and Japan. Japanese companies got on email later than US companies. Email addresses became standard on business cards later in Japan. Japanese companies put up full-blown websites later than their US counterparts. Private internet access itself was hard to get, with companies like Nifty catching on later than their US counterparts AOL and CompuServe. The fax machine as a means of communication has had more staying power in Japan than in the US.

2. Japan took longer to embrace the internet. Japanese business executives at first did not recognize the business potential of the internet.

Japanese society was slower to accept the safety of credit card payments over the internet. Companies like Rakuten arose several years after the US companies Amazon and eBay.

3. Japan was first with the mobile web, far ahead of the US. Mainly this was with NTT Docomo's i-mode, especially the triumph of Docomo's i-mode in far preceding the iPhone in the US. i-mode was launched in 1999, whereas the first iPhone did not come out until 2007, an amazing eight-year difference, which is an eternity in the tech world. When the Japanese first saw the iPhone, some of them yawned, as they had been doing these things for eight years.

4. Japanese web pages tend to be "busier" than US web pages. Compare the front page of Rakuten to that of Amazon or eBay. There is a lot more text crammed into the page. Or compare the opening page of blogger.com to that of ameblo.jp. Japanese seem to have a higher tolerance for having a whole bunch of information crammed into a single web page. Or perhaps they prefer it that way.

5. Japanese like blogging more than Americans. This may be changing with the increasing popularity of Facebook in Japan. But up until now, whereas Americans would spend time on MySpace, Facebook, or Twitter, Japanese would spend time updating their daily blog. This has even been true

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of Facebook's Japanese competitor Mixi. Whereas Facebook and Twitter encourage the short status update, the look and feel of Mixi has been more oriented toward writing a daily blog entry.

6. Japanese are more shy about putting photos of themselves on the internet. Of the various friends I have interacted with on Mixi, I never met anyone who put their actual photo as their profile picture. Usually it was a picture of their pets, their favorite cartoon character, etc. Even with Facebook becoming increasingly popular in Japan, many of the photo updates are still of pets, scenery, a beautiful meal about to be eaten, a flower arrangement, etc. There is a shyness to putting photos of oneself and one's family on Facebook.

7. In some ways, Japan still does not fully embrace the internet. It is still illegal for Japanese political candidates to use the internet during election campaigns, whether it is updating their websites or even tweeting their names. Some Japanese are [trying to change this](#), but Japan is

still far behind the curve. It feels like it will be years, or maybe even decades, before Japan has the equivalent of the US website [SmartVoter](#), which provides unbiased information to voters.

8. But in other ways, Japan does embrace the internet. Shortly after the Fukushima nuclear disaster, there was much confusion surrounding the actual radiation readings in Tohoku and Kanto. Finally, in an effort to prove its transparency, the government turned to the internet to make daily announcements of the radiation readings throughout Tohoku and Kanto.

As Japanese and American usage of the internet converges over time, perhaps these differences will become less and less. Or maybe they will not. What do you think? See you at the July 19th Forum!



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Strategies for Japanese Start-up Funding and Expansion

• Participating Speakers •



Michael Alfant

Group Chairman and CEO of Fusions Systems Co., Ltd.



Robert Eberhart

Researcher at Stanford's Program on Regions of Innovation and Entrepreneurship



Scott Ellman

CEO and Founder of USAsia Venture Partners



William F. Miller

Herbert Hoover Professor of Public and Private Management Emeritus; Professor of Computer Science Emeritus; President Emeritus, SRI International; Chairman Emeritus, Borland Software Corporation; and Chairman/Founder of Nanostellar, Inc.



Allen Miner

Founder/General Partner of SunBridge Partners and the Founder/CEO of SunBridge Corporation

The Keizai Society's May Forum "*Strategies for Japanese Start-up Funding and Expansion*" was held at the offices of Wilson, Sonsini, Goodrich & Rosati in Palo Alto. It was a sold-out success.

The distinguished members of the panel included the moderator, Robert Eberhart, a researcher with the Stanford Program on Regions of Innovation and Entrepreneurship (SPRIE) at Stanford University; Michael Alfant, CEO of Fusion Systems and President of the American Chamber of Commerce in Japan (ACCJ); Scott Ellman, the CEO of US Asia Venture Partners; and Allen Miner, the CEO of SunBridge Corporation. William F. Miller, Professor Emeritus and Co-Director of SPRIE at Stanford University, was unable to attend as scheduled.

The moderator, Mr. Eberhart started off the evening with a short presentation about what his research at SPIRE has discovered about entrepreneurship in Japan. Among many surprising proof points he showed the audience is the fact that Japan has the same rate of new company creation as the US. In fact, the number of new companies created in

Japan declined during the post-war boom, and grew during the "lost decade". In addition, survival rates for Japanese start-up companies are drastically higher than the US, despite the fact that Japan has less venture capital than the US. Mr. Eberhart did bring up the fact that the start-up money in Japan is coming from friends, a concept that has a broader definition in Japan than is the US.

The first question for the panel was "Where does the capital for startups come from?" Answers from the panelists included the fact that Japanese companies will come to the US to get funding. Also, many companies that don't succeed won't fail and be dissolved through bankruptcy, but continue on as zombie companies. It's so expensive to dissolve a company in Japan that many failed companies are still alive on paper.

The second question for the panel was "What would you recommend as an effective public or private policy government could create to help start-up companies?" The panel debated the

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advantages and disadvantages of many choices including immigration policy, encouraging more women to enter the workplace, making government procurement policy more small business friendly, English language classes and more.

The last moderated question for the panel was that “Both the societies of US and Japan want long-term stable employment. What are the implications of the US and Japan working together on making start-up companies or focusing on large companies?” The panel debated different ideas such as the current Trans-Pacific Partnership (TPP) and the fact that Japanese entrepreneurs are coming over here to build companies instead of Japan.

During the open floor questions the panel was asked questions on many different topics including change advocacy, exit strategies for start-ups, education for entrepreneurs and start-up funding. Major points to take away from this period of questions include the fact that Japan needs better advisors when it comes to an exit strategy, not just when it comes to building a start-up. When it comes to crowd-

funding, it’s already happening in a limited way in Japan, but they need to be careful so that they don’t run afoul of existing laws. Also, the best education for an entrepreneur is as a jack of all trades, not necessarily an MBA.

Overall the evening was full of insightful information and conversation from both the panel and the audience. We hope that you will join us at our next Keizai Society Forum event.



Photos of the Keizai Society’s May 2012 event can be found at:

<https://picasaweb.google.com/111035363283700634910/StrategiesForJapaneseStartUpFundingAndExpansion05042012?authkey=Gv1sRgCI2azJm9gpC19AE>

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The Keizai Society is looking for highly motivated and talented individuals to join our volunteer executive team. Working with our team and board directors is a great opportunity to create exciting forums for the US/ Japan business community in Silicon Valley.

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We hope you'll join the Keizai Team!



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