

US-JAPAN BUSINESS FORUM Issue No. 250 April 2013 Santa Clara, CA www.keizai.org

American-Japanese Interaction at the Working Level

Hidden Superstars: Japan's New Leaders in Global Business

Guest Speakers



ULRIKE SCHAEDE (Keynote Speaker) Professor of Japanese Business, UCSD



KURT KELTY Director, Powertrain Supply Chain and Battery Technology, Tesla Motors



MARK **SLEZAK** Vice President of Sales & Technology, JSR Micro, Inc.



TOMOYA YAMASHIKI Partner, Azalea Technology, LLC

n the 1980s, Japanese export products ruled the world, in particular in household electronics. Now one is hard-pressed to find a Japanese brand name, especially in new product categories. Pundits have suggested that Japan "has lost it", referring to both clever product commercialization and innovation. However, nothing could be farther from the truth. Some Japanese companies may have lost out, but there are new pockets of Japanese leadership in hi-tech materials and components that are critical to the superior performance of end products. This is not only happening in electronics,

but also in transportation, machinery, and green technologies. Professor Schaede will explain Japan's indispensable role in the global supply chain by putting the spotlight on these new areas of innovation and technological leadership, and by analyzing management practices of these "New Japan" leaders. She will be joined by panelists from such leading companies who will lay out the opportunities and challenges they see in being "superstars" from Japan, and from an American company who can provide a perspective from the procurement point of view.

continued on page 3

Please RSVP by May 11th, 2013 to reserve your place! @ http://www.keizai.org

DATE

Wednesday, May 15th, 2013

FOOD

Sushi & Beverages Will Be Served

DRESS

Business casual

LOCATION

Oshman Family JCC (Jewish Community Center)

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

3921 Fabian Way, Palo Alto, CA 94303

Registration/Networking: 5:30 P.M. - 6:15 P.M.

Program:

6:15 P.M. - 8:30 P.M.

Networking:

8:30 P.M. - 9:00 P.M.

FEES

\$15: Early Bird Discount Has Sold Out , 11.00 P.M. by Satu

\$20: Regular Registration

by Saturday, 05/11/2013, 11:00 P.M.

\$35: Late Registration

by Tuesday, 05/14/2013, 12:00 P.M.

\$50: Walk-ins (Subject to room capacity / Cash or check only)



am happy to report that our March forum on Japan's changing energy market was quite successful, with over 100 attendees. The event highlighted a number of new opportunities for US companies, and this fascinating topic was complemented by the expansive venue at PARC, with a broad view overlooking Silicon Valley.

In April, Keizai Society had its first networking event in San Francisco at the office of Intrax, one of Keizai Society's Gold Sponsors. It was a very convenient location for those living in San Francisco; please see the detailed report on page 6. Turning to our upcoming May forum, the topic will be the success of Japanese components and materials manufacturers, which is right in line with Keizai Society's theme for this year "Redesigning US-Japan Business for the Next Generation." We hope to see everyone there. Also, I want to add that Keizai Society is always looking for enthusiastic volunteers, especially in the area of program management. I encourage you to contact me directly at chimmy@keizai.org if you are interested.

Sincerely,

Chimmy Shioya President, Keizai Society

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Keynote Speaker and Panelists



Ulrike Schaede is Professor of Japanese Business at the University of California, School of International Relations and Pacific Studies (IR/ PS). She studies Japan's corporate strategy, business organization, management, financial markets, and

government-business relations. Her book Choose and Focus: Japanese Business Strategies for the 21st Century (Cornell UP, 2008) explains the strategic inflection point of the early 2000s, when Japan's business architecture began to change. Her current research concerns the management practices of what she calls "New Japan" companies that have assumed global supply chain leadership in materials and components. She also works on corporate restructuring, changing human resource practices, and entrepreneurship in Japan.

Professor Schaede holds an M.A. from Bonn University, and a PhD from the Philipps-Universtät in Marburg, Germany. She is trilingual and has spent a total of more than eight years of research and study in Japan. She has been a visiting scholar at the research institutes of the Bank of Japan, Japan's Ministry of Finance, and the Ministry of Economy, Trade and Industry, and the Development Bank of Japan. Before joining UCSD in 1994, Schaede held academic positions in Germany (Philipps-Universtät Marburg) and Japan (Hitotsubashi University, Tokyo).



Kurt Kelty is the Director of Supply Chain for Tesla Motors' powertrain and the Director of Battery Technology. As head of Supply Chain, Kurt is responsible for the purchasing of all components that comprise the powertrain. This

includes motors, chargers, inverters, gearbox and batteries. His battery team is responsible for setting and implementing Tesla's battery cell usage strategy. Mr. Kelty is responsible for the technical exchanges and commercial negotiations with each of the battery cell suppliers and early stage battery cell developers. He is particularly focused on evaluating the safety, performance and reliability of cells.

Mr. Kelty's team validates the pack performance under extreme environmental conditions that might be observed in the vehicle application. He also leads the battery pack recycling and regulatory efforts at Tesla. He is a member of SAE J2929 Electric and Hybrid Vehicle Propulsion Battery System Safety Standard to create abuse standards for vehicle battery packs.

Before joining Tesla, Mr. Kelty worked for Panasonic for nearly fifteen years, seven of those years in Japan. At Panasonic, Mr. Kelty worked in various planning and marketing capacities related to Ni-MH and Li-ion batteries. During the last 5 years, he founded and led Panasonic's battery research lab in Silicon Valley and created R&D alliances between Panasonic and other battery and fuel cell developers in the U.S.

He is the author of over 20 patents

Mr. Kelty received his B.A. in Biology from Swarthmore College in 1986 and his MSc from the Stanford University Graduate School of Business in 1997.



Mark Slezak is Vice President of Sales & Technology at JSR Micro, Inc. where he oversees the sales, customer service, and technology development of JSR's next generation product lines and advanced semiconductor materials solutions.

Mark is tasked with setting strategies to grow revenue at key accounts in the US, as well as leveraging the technology influence these accounts have on the global semiconductor materials market. This including supporting multinational customers, as well as working to continually improve internal systems and guide resources within JSR Corporation's Semiconductor Operation in Japan.

Since joining JSR Micro in 1998, Mark has been instrumental in the development and commercialization of the company's advanced photolithography materials, such as photoresists, SiARC, organic underlayers, anti-reflective coatings, immersion topcoats, photo-patternable low-k, and other supporting materials. In addition to managing the US lithography efforts, Mark oversees JSR's CMP consumables and

Packaging materials businesses.

Mark has spent time developing new technologies at IMEC research facility in Europe conducting early research on 193nm photoresists, and at JSR's Japanese R&D center, focusing on immersion topcoats and advanced 193nm resist platforms. He has published numerous lithography papers and holds multiple patents for photoresist and ancillary development work. Mark is a team builder who combines strong business and technical acumen with excellent relationship skills.

Mark has his undergraduate degree in Engineering from Cal Poly San Luis Obispo, and has recently completed Executive Leadership Development course work through Stanford's Graduate School of Business.



Dr. Tomoya Yamashiki specializes in Nano/Clean/Green technology and focuses his efforts on establishing strong technical partnerships with Asian, especially Japanese firms. With more than 20 years of experience in nanotechnology

entrepreneurship and strategic planning, Tomoya identifies niche markets and formulate strategic plans to grow emerging nano-based businesses. Before moving to Silicon Valley, Dr. Yamashiki was a leading scientist and engineer at the Toray Group where he developed numerous applications for nanotechnology materials and fine process technologies. He also launched several business based on fundamental research in the areas of phase change type rewritable optical memories, and photo-sensitive ceramic/glass materials for electronic packaging. Later, as a strategic planning manager at Toray, he was involved in many large M&A transactions. During his tenure with Toray in Silicon Valley, he founded and established its Corporate Venture Capital function, and designed and executed its Open Innovation System. From 2003 to 2006 while working at Toray he also had the opportunity to do research at RIKEN. Based on key discoveries he made there, he co-founded FLOX Corporation, a startup using fullerenes for more efficient photo-catalysis, and became its managing director.

Dr. Yamashiki holds Ph.D. in Physics with emphasis

in condensed matter and material science from the University of Tokyo. As a visiting scholar at Stanford University, he recently led a research study on entrepreneurship efforts between the US and Japan.

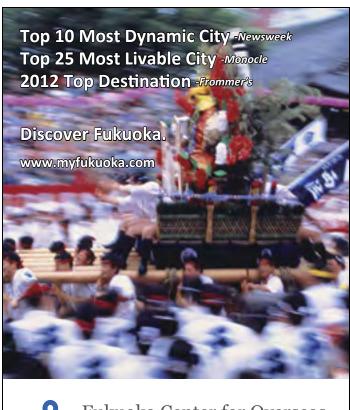


Founded in 1990, the Keizai Society US-Japan Business Forum is an all-

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 2013 is "Redesigning US-Japan Business for the Next Generation." This underscores the new relationship structures and modes of commerce evolving today between US and Japanese firms.







Is Japan Back?

— By Joe Quinlan Keizai Society Content Manager

eizai Society's May Forum promises to be perhaps one of the most prescient and important forums in the past few years. There is a growing sense that Japanese business has changed, and for the better. One of our speakers, Dr. Ulrike Schaede, has written a book about the phenomenon – "Choose and Focus: Japanese Business Strategies for the 21st Century". Dr. Schaede is an expert on the subject, but for those of you involved in US-Japan business, the theme of her book probably jibes with what you may have been experiencing recently. Like me, you may have certain anecdotal experiences which reconfirm the thrust of what Dr. Schaede writes about. In my case, I have noticed this phenomenon at the Semicon West trade show in San Francisco each summer. Semicon West is paired each year with a companion tradeshow called Intersolar. While Semicon focuses on the semiconductor industry, Intersolar focuses on the solar industry. About 3/4ths of the floor space is Semicon, with the remaining 1/4th being Intersolar. The remarkable thing to me over the past few years is the high prevalence of Japanese companies exhibiting at Semicon West, compared with the high prevalence of Chinese companies at Intersolar. While the big Japanese semiconductor manufacturers themselves have been losing out to the likes of Samsung and TSMC, the myriad of Japanese companies that supply equipment, components and materials for semiconductor fabs seem to be doing relatively well. At least they certainly have a dominating presence at Semicon West. Recently, both the semiconductor and solar industries have gone through some disruptions. Solar had a bit of a dip with the recent recession and some accompanying decrease in subsidies in Europe, and semiconductor has been working through the phenomenon of declining PC sales and simultaneously increasing smartphone and tablet sales. How this all shakes out is perhaps still an open question. But Dr. Schaede's observations do

ring true. It does seem that Japanese business has changed to become more nimbly focused on less high-profile markets in components and materials. In her book, Dr. Schaede uses the examples of Panasonic, Takeda and Astellas, Softbank, kakaku. com, and SBI E*Trade. I have also seen that over the past ten years, while some famous Japanese companies (who were powerhouses in the 1980's) have seen their stock decline by 50% to 70%, certain other less-known Japanese companies like Keyence and SMC have seen their stock increase by anywhere from 40% to 100% in the same timeframe. China continues to be the "wild west" of the world economy, with tremendous reward accompanied by tremendous risk, and growing in all directions at once. At the same time, Japan appears to be taking a much more focused strategy that may pay off handsomely in the future. Because of the tremendous difference in population size between Japan and China, Japan will never again be the "No. 1" in the same way it was touted in the 1980's. But the dynamics of the world economy in those days is also unlikely to return. Smart, agile, and nimble may be the new way of defining successful economies in the 21st century.

Are Japanese companies really ready to prove they are smart, fast, and nimble enough to retake the vanguard? Come to our May 15th forum and find out.





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Intrax and Keizai Society Joint Networking Event

n Thursday, April 11th, Keizai Society held its first networking event in San Francisco at the Intrax Language Center. The 40 or so attendees first enjoyed an hour of networking with food and drinks, followed by breaking into five groups to discuss the concept of "Global".

Haj Matsukata, Director of the Business Internship Program at Intrax, moderated this discussion by asking two questions: "What are the first three words that come to mind when you think of the word global?" and "What are you going to do to be more global?" Haj concluded with the exhortation "Everyone in the room is an ambassador!" After these lively discussions, the attendees enjoyed another hour of networking. Keizai Society members who live near San Francisco especially appreciated this event, since the driving time was much less. And finally, it was a lot of fun to have an event where everyone had a chance to participate.













Japan's Changing Energy Market: New Opportunities for US Companies

Participating Speakers



TIM KOSTOLANSKY Director of Business Development, General Manager, Japan



QUAEED 'Q' MOTIWALA Managing Director, DFJ JAIC



TONY
SEBA
Lecturer in
Entrepreneurship
& Clean Energy,
Stanford University



OSAMU
ONODERA
Representative,
Silicon Valley Office,
New Energy & Industrial
Technology Development
Organization (NEDO)



PHIL KEYS (Moderator) Analyst, Blue Field Strategies

eizai Society's March forum "Japan's Changing Energy Market: New Opportunities for US Companies" was held on Thursday, March 21 at the Palo Alto Research Center (PARC). In the wake of the Tohoku tsunami and the subsequent shutdown of most of Japan's nuclear reactors, energy has become an extremely relevant and current topic in Japan. For this exciting and timely topic, Keizai society welcomed four captivating speakers.

First off was Osamu Onodera, who works for the Japanese semi-governmental organization NEDO. Onodera-san's presentation was chock full of fascinating data about what has happened to the Japanese energy market in the wake of the Fukushima disaster. Among the more memorable data was a chart showing that nuclear has dropped from 29% of Japan's electricity generation to only 2%. Most interestingly, this gap has been made up by an increase in the share of LNG (29% to 47%) and oil (8% to 16%) as sources of electricity, in addition

to the well-know conservation measures that have been put in place. Throughout this period, renewable energy has remained stable at about 10% of Japan's electricity generation. However, going forward the plans of the Japanese government include a much-increased role of renewable energy in the nation's supply of electricity.

The ever-charismatic Tony Seba followed up Onodera-san with a discussion of how the cost of solar electricity has fallen so dramatically that it is now positioned to be much cheaper than other forms of electricity generation. This is driving the switch-over to solar energy, especially in countries like Germany. Tony debunked many of the myths surrounding solar energy and showed how investments in solar right now can pay off tremendously in the future, especially at the current low interest rates. In particular, Tony showed that feed-in tariffs in Japan are high by worldwide standards, and this could help push forward the solar market in Japan.

Quaeed "Q" Motiwala of the venture capital firm DFJ JAIC highlighted two innovative clean energy companies in which his firm has invested. The first company, QBotix, makes a robot that travels around a solar farm, constantly repositioning the solar panels toward the sun to attain the maximum power generation. This robot actually ends up being much cheaper than constructing heavy repositioning equipment attached to each solar panel throughout the solar farm. The second company that Q introduced was Enlighted, which makes advanced light sensors that adjust office lighting based on factors like number and location of employees present and the amount of natural light coming in through the windows. Through the use of Enlighted sensors, companies have been able to reduce their electricity usage by up to 69%. Q mentioned that both QBotix and Enlighted see potential in Japan.

The fourth speaker was Tim Kostolansky of Silver Spring Networks, which provides smart grid technology that enables companies like ComEd and PG&E to reduce cost. In addition to communications devices, Silver Spring Networks develops software for utilities and customers to improve energy efficiency. Silver Spring Networks has been a pioneer in using IPv6, mesh radios, and in-home networks to achieve greater energy efficiency. Silver Spring Networks has found the Japanese market to be a unique one to approach, since the Japanese power companies have unique systems. But over time, this will likely be resolved, as Japan must keep up with the pace of smart grid technology worldwide.

The evening wrapped up with some energetic Q&A as members of the audience brought up various challenges that are confronting renewable energy. All in all, it was a thought-provoking and stimulating forum that made one feel lucky to live in such an innovative location as Silicon Valley. The post-event networking conversations continued up until the closing time of 9pm. It was a very enjoyable event in the beautiful PARC location overlooking Silicon Valley.

Photos of the March 2013 event can be found at: http://keizaisociety.shutterfly.com/pictures



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今年もお客さまとともに、 豊かな未来へ。

あけましておめでとうございます。

お客さまとともに、新しい年の門出を慶び、 今年も変わらぬパートナーシップを育む。 それが、私たちユニオンバンクの願いです。 身近なフィナンシャル・パートナーとして、 日系コミュニティのみなさまと長年培ってきた安心と信頼の絆を いままでも、これからも。

あなたといっしょに、あなたの未来を。

三菱 UFJ フィナンシャル・グループの一員として、国際取引と資産運用の豊富な 知識と経験をもったスタッフが、お客さまの将来設計のお手伝いをいたします。 詳しくは、お気軽に下記日本語フリーダイヤルまでお問い合わせください。 電話番号:1-800-532-7976 受付時間:月~金 午前8時~午後5時(太平洋時間)





Keizai Society Linkedin Group Discussion and Job Posting

Please join the **Linkedin Keizai Society Group** and participate in group discussions. You can also share and discuss jobs with the members by clicking the **Jobs** tab after creating a Keizai Society Group account. If you have any questions, please contact **jobs**@ **keizai.org.**

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