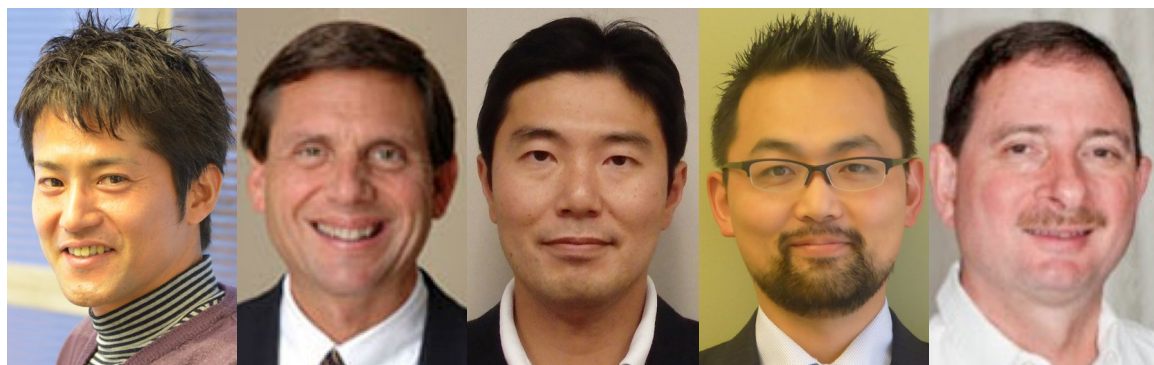




# KEIZAI SILICON VALLEY

## US - JAPAN BUSINESS FORUM



# EXPLORING JAPAN AND CALIFORNIA COOPERATION ON CLEANTECH

Monday June 29, 2015  
5:30 PM Evening @  
Oshman Family JCC

**By Phil Keys**

In September, 2014 the Governments of California and Japan entered into an agreement to support cooperation in technology associated with ameliorating climate change as well as boosting water conservation. Targeted areas include electric vehicle charging, renewable energy and high-speed rail. Both California and Japan harbor businesses communities with strong interests and technologies related to these fields. What are the possibilities should these groups pursue stronger ties as

envisioned in the agreement?

In cooperation with Japan's New Energy and Industrial Technology Development Organization (NEDO) and World Innovation Lab (WiL), the forum will explore this and other items, including fostering a new spirit of entrepreneurship amongst Japanese companies to take advantage of this opportunity. It will also feature presentations from innovative companies based in both California and Japan.

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## FROM THE PRESIDENT



Our March forum on Mergers and Acquisitions was truly a collaboration between the US and Japan. Our moderator was Masaya Hirano, a partner at TMI Associates, who flew into Silicon Valley from Japan for this event. It was his first visit to Silicon Valley, and he seemed quite impressed with how people here in the valley work. He said he looks forward to coming back soon. The forum itself was a very interesting one, as we examined and discussed from various angles the M&A of early stage start-ups.

Keizai has been listening to you! You want more networking. In response, we started having more

networking events last October. Our May wine tasting at Testarossa Winery was the very first event of its kind that we have hosted, and the beginning of our wine tasting and networking series. The venue itself was quite appropriate for the event as it is rich with history and yet so close to the Los Gatos downtown. We also held our second Networking in the City night in San Francisco on June 13th. Finally, don't forget to attend our June 29th forum "Exploring Japan and California Cooperation on Cleantech", as it will be a unique topic concerning both governmental and private initiatives on clean technology.

**Best wishes,  
Chimmy Shioya  
President, Keizai Silicon Valley**

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# US-JAPAN CLEAN TECH

By Joe Quinlan

Keizai Silicon Valley's June forum is on the subject of the Japan-California clean tech partnership announced last September. As the world continues to struggle with climate change, this is a very timely topic. Japan and California make good partners in this area. Japan needs clean tech because it needs to get off of nuclear energy, which was proven by the Fukushima disaster. California struggles with air quality caused by the burning of fossil fuels, which damages the health of all Californians. Of course, Japan would also like to have cleaner air, and earthquake-prone California would also prefer to be less dependent on nuclear energy. All in all, this is a natural partnership.

Where can California and Japan partner in clean tech? The experts present at the forum will explore this topic in detail. But just a cursory glance makes one think of the areas of zero emission vehicles, solar energy, wind energy, and other forms of clean energy.

Why is this important? In the post-World War II

era, California and Japan have both emerged as technology leaders in the world. There is a great opportunity now for California and Japan to direct this technological prowess toward an area that will have great benefit to humankind: Clean Technology. This could be described as a golden opportunity for both California and Japan. ☘



Founded in 1990,  
Keizai Silicon Valley

US-Japan Business Forum is an all-volunteer business and professional networking organization based in the San Francisco Bay Area. Its primary purpose is to provide opportunities for executives and professionals to develop the knowledge and human networks for successful US-Japan Business.

Keizai 2015 theme – ***The Power of Innovation to Shape the Future: New Vitality in US-Japan Business*** – also complements the transformation of Keizai Society into Keizai Silicon Valley. US and Japanese business will encounter unprecedented opportunities and obstacles in 2015. With deep roots in the global capital of innovation, Keizai Silicon Valley will help lead the way to a brighter, less volatile future for all.

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## KEIZAI IS HIRING!

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

We have multiple positions available in many areas including Website Management and Program Managers.

Japanese language skills are not required. For more details, please email [contact@keizai.org](mailto:contact@keizai.org) with a subject line "Keizai Positions" to discuss these opportunities.

We hope you'll join the Keizai Team!



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Aki Koto



Brian Peck



Go Takizawa



Masa Yamada



Phil Keys

## FEATURED PANELISTS

**Aki Koto** is a Partner at WiL, a \$360M hybrid venture fund based in Palo Alto tasked with bridging the gap between startups and major Japanese corporations. Amongst the variety of fields WiL is exploring, he is particularly interested in marketplace, virtual reality, mobile, smart home, and IoT. Prior to joining WiL, Mr. Koto was in charge of early stage investment for Digital Garage and worked with Twitter, Path, Udemy, Kamcord and other startups to accelerate their businesses in Japan. He has a background both in software programming and construction site management.

**Brian Peck** serves as a deputy director for the California Governor's Office of Business and Economic Development (GO-Biz), the lead state entity for economic strategy on issues such as business development and international trade. Appointed in August 2013 by Governor Edmund G. Brown, Jr., Brian is responsible for promoting California as a destination for international investment as well as exports of goods and services. Prior to joining GO-Biz, Brian also served as Senior Director for Intellectual Property at the Office of the U.S. Trade Representative from 2003-2005 where he led an interagency team responsible for developing and implementing policies to strengthen the protection of intellectual property rights in Japan, Korea, Southeast Asia and Latin America. He is an adjunct professor for international trade policy at USC Gould School of Law.

**Go Takizawa** is the Chief Representative of the NEDO Silicon Valley Office. NEDO

is a Japanese government related organization charged with funding R&D projects in the areas of new energy, energy efficiency, smart grid and other industrial technologies. Mr. Takizawa represents NEDO in the western part of the US and is closely involved with ongoing smart grid demonstration projects in Hawaii and New Mexico. Prior to joining NEDO, he was a Director in the Ministry of Economy, Trade and Industry (METI) where he worked on a number of energy related projects. Mr. Takizawa holds a B.A. from the University of Tokyo as well as an MBA from Duke University.

**Masa Yamada** serves as the Chief Senior Staff for the Osaka Prefectural Government overseeing civil engineering operations for prefectural planned modeling and real estate revitalization projects. During Mr. Yamada's two-year interim post with the Japan External Trade Organization (JETRO), he was responsible for fostering the Osaka-San Francisco Sister City relationship while supporting numerous US-related trade missions. He is now in charge of promotional efforts for the export of Japanese products and technologies into the United States. Mr. Yamada holds a Bachelor of Law degree from the University of Osaka.

**Phil Keys (moderator)** is an Analyst for Blue Field Strategies, a strategic consulting company. He is also a published columnist for the Nikkei Business Daily (Nikkei Sangyo Shimbun) as well as Nikkei Technology Online. Mr. Keys was a Silicon Valley correspondent for Nikkei Business Publications for 14 years and has worked in the technology

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industry both in the US and Japan. He graduated with a B.A. from the University of California Berkeley.

## PRESENTING COMPANIES



### **eMotorWerks**

– eMotorWerks is responsible for

the JuiceBox Smart[Grid] EV charging solutions. JuiceBox maximizes charging efficiency & speed while providing EV owners the intuitive control and visibility that traditional EV chargers lack. JuiceBox is also designed to be fully Smart[Grid] ready. By shifting when and how much electricity JuiceBox network draws from the grid, eMotorWerks helps utilities and grid operators reduce electricity costs, ease grid congestion, absorb excess solar and wind power, and provide rapid response to unforeseen grid events.



### **Kawada Industries**

– Founded in 1922, Kawada Industries is a

construction and technology development company specializing in steel and hybrid structures as well as a humanoid robots and environmental technologies. The robotics division is responsible for the humanoid HRP robot series and NEXTAGE industrial robots. Kawada is committed to continue to challenge the limits in cutting-edge technology to provide the urban infrastructure that people need to lead healthy and comfortable lives.



### **Nissan Motor Corp.**

– Nissan Motor Co., Ltd., Japan's second-largest automotive company, is headquartered in Yokohama, Japan, and is part of the Renault-Nissan Alliance. Operating with more than 244,500 employees globally, Nissan sold almost 5.2 million vehicles and generated revenue of 10.5 trillion yen (USD 105 billion) in fiscal 2013. Nissan delivers a comprehensive range of more than 60 models under the Nissan, Infiniti and Datsun brands. In 2010, Nissan introduced the Nissan LEAF, and continues to lead in zero-emission mobility.

## **Panasonic**

**Panasonic** – Panasonic, founded in 1918 in Osaka,

Japan, has been located for more than 50 years in the USA. Panasonic has delighted customers with innovations for the home and business. Panasonic's consumer electronics and solutions products range from award-winning VIERA TVs and LUMIX Digital Cameras to ruggedized Toughpad Tablet computers, communications solutions, networkable office solutions, security systems, home appliances, personal care products, components, and entire in-flight entertainment and communications systems.



### **Space-Time Insight**

– Space-Time Insight's real-time

visual analytics applications correlate, analyze, and visualize large volumes of business, operational and external data, spatially, over time and across network nodes. Space-Time Insight's award-winning software powers mission-critical systems for some of the largest companies around the world, including eight of the twenty largest US utilities, helping them reliably, efficiently and economically deliver services and rapidly plan for and respond to a full range of operating events. Space-Time Insight partners with leaders in the industry including Accenture, Esri, IBM, NEC, OSIsoft, SAP, Siemens and Unicorn Systems.

### **TerrAvion**



**TerrAvion** – TerrAvion provides high revisit rate aerial imagery for agriculture. Our "Overview" service offering focuses on high value crops in California like grapes and almonds.

Overview is differentiated by an overnight data turn-around, a thermal band, a very high (weekly) revisit rate, and web delivery of data. Our data can be used by agronomic analysts to optimize irrigation, efficiently scout large areas for disease or other problems, and to support planning of harvest and other major interventions. ✿



Dennis Doucette



Mitch Kitamura



Chad Morrissey



Greg Sato



Masaya Hirano

## M&A OF EARLY-STAGE STARTUPS

By Joe Quinlan

On Thursday, March 26th, Keizai Silicon Valley had the pleasure of welcoming five fascinating experts in the field of M&A of early stage startups. This thought-provoking evening enlightened many in the audience to the latest developments and trends in exit strategies of startups. One primary consideration is whether and to what extent an acquisition is actually an acquire, with the primary goal being to obtain the engineering talent rather than the IP of the startup. If this is the case, a traditional valuation rule of thumb has been \$1 million per engineer, but in Silicon Valley this can rise to \$1.5 million or \$2 million per engineer. The lower \$1 million number may now only apply to other parts of the US.

One key issue brought up in the evening was the issue of getting engineers to stay at the new company after acquisition. Traditionally, this is done with a large bonus after staying with the new company for two years. However, certain "cultural" things can be even more important, like: Can they take their dog to work? Can they stay in Silicon Valley as opposed to moving to another part of the country (i.e. the location of the acquiring company)? Will the engineers still have the freedom to take the product in the direction they want to take it, and work on the things they want to work on? These non-monetary things can be as important, or more important,

than the big payout after staying with the company for two years.

Moderator Masaya Hirano, of TMI Associates, explained that in the US, 80-90% of all startup exits have become M&A, whereas Japan may be about 30 years behind the US, with 60% of exits still being IPO's. But the trend is for Japan to move in the direction of the US.

Chad Morrissey of PricewaterhouseCoopers contributed that determining the value of a company can be a major challenge. Do you base it on the current performance of the company, the value of the talent at the company, the IP of the company, or the future potential performance of the company in the market?

Dennis Doucette of Procopio, Cory, Hargreaves & Savitch, described how it can be quite tricky to get a startup to reveal its technology to a potential buyer prior to the acquisition. Even a non-disclosure agreement may give little comfort to the founders of the startup, given that they do not have the financial resources to enforce it against a larger company. To solve this, many large companies will first get to know a small start-up by becoming a minority investor and board member, prior to the acquisition. This can get around the problem of the start-up not wanting to explain its IP to the potential acquirer.

Mitch Kitamura of Draper Nexus Ventures pointed out that starting up a business used to be much more expensive, with early heavy investments required in, for example, software and hardware. Now,



however, it is much less expensive to start a company, and therefore business stages that previously were not reached until the Serial A round or later, are now being achieved in the Seed Round. Companies have built their prototype, launched the business, and are already getting traction even before the Serial A Round.

Greg Sato of Intel provided the tale of the Google acquisition of YouTube for \$1.65 billion in 2006. At the time many people thought this price was much too high and that Google seriously over-paid. But in retrospect this price now seems like a bargain. Greg also pointed out a major issue that can be a roadblock to an acquisition: Does the startup have clear ownership of the IP that it is using in its products? This can be especially tricky with open source software.

One final interesting comment was that the panel generally felt that VC firms would have little interest in companies whose early financing was achieved by

crowd financing (i.e. actual stock ownership). If there are more than 20 stockholders, the VC firms generally don't want to touch it. This was a particularly interesting comment in light of Keizai's recent forum on crowd financing. Certainly time will tell how this fascinating interaction of VC firms and crowd financing will develop. ☘

Additional event photos can be found at — <http://keizai.org/events/ma-of-early-stage-startup-what-makes-it-different/>

## JUNE 2015 EVENT DETAILS

### Date and Time

Monday, June 29, 2015

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.

### Location

Oshman Family JCC

F-401, 4th Floor, Freidenrich Conference Center

3921 Fabian Way, Palo Alto, CA 94303

### Ticket Fees

Early Bird Discount for first 30 — \$15 by Wednesday, June 10th, 2015 (11:00 p.m.)

Regular Registration — \$20 by Wednesday, June 24th, 2015 (11:00 p.m.)

Late Registration — \$35 by Saturday, June 27th, 2015 (12:00 p.m.)

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

### Food

Sushi and beverages will be served

### Registration Website

[www.keizai.org](http://www.keizai.org)



## NETWORKING NIGHT & WINE TASTING EVENT@KEIZAI





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