

THE STANFORD-SASAKAWA PEACE FOUNDATION NEW CHANNELS DIALOGUE 2015 FINAL REPORT

“Innovation: Silicon Valley and Japan”



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Program

January 2015 / Bechtel Conference Center & Oksenberg Conference Room, Encina Hall, Stanford University

THE STANFORD-SASAKAWA PEACE FOUNDATION NEW CHANNELS DIALOGUE 2015 *FINAL REPORT*

“Innovation: Silicon Valley and Japan”

Sponsored and Organized by the Sasakawa Peace Foundation (SPF)
and the Shorenstein Asia-Pacific Research Center at Stanford University (S-APARC)
in association with U.S.-Japan Council.

Stanford | Shorenstein **APARC** | **Japan
Program**

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Acknowledgements

We are grateful to the Sasakawa Peace Foundation (SPF) for sponsoring and helping us organize the dialogue. We especially thank Yuji Takagi, President of SPF, who has been involved from the start of the project and joined the dialogue in person.

We also appreciate generous support that we received from Walter H. Shorenstein Asia Pacific Research Center (S-APARC) and the Freeman Spogli Institute (FSI) for International Studies at Stanford University. Staff members of S-APARC and FSI, including Debbie Warren, George Krompacky, Mary Ellen Horwath, Roger Winkelman, Huma Shaikh, Denise Masumoto, Irene Bryant, Heather Ahn, Lisa Lee, Lisa Griswold, Wena Rosario, and Mary Schuler, who worked tirelessly to make the dialogue proceed smoothly. Our special thanks go to Meiko Kotani, administrative associate of the Stanford Japan Program at S-APARC, who assisted us in all the aspects. We could not have done this without her extraordinary efforts.

We are also grateful to Hiro, Andy, and Makoto Ogawa for opening up their beautiful house for the welcome reception and dinner for the dialogue participants again this year. The event set the right start for the successful dialogue. The dialogue also benefited from collaboration with the US Japan Council (USJC), which helped us identify several participants. We are especially grateful to Daniel Okimoto and Kaz Maniwa.

Finally, we thank the dialogue participants for their contributions and dedication. We also thank Ian Myers and Andrew Gee for taking notes during the conference and the dialogue and preparing a draft for this final report.

Thanks to all the people, we believe the second annual meeting of the Stanford-Sasakawa Peace Foundation New Channels Dialogue was very successful.

Takeo Hoshi

Director
Japan Program
Shorenstein Asia-Pacific Research Center

Kazuyuki Motohashi

Sasakawa Peace Fellow
Shorenstein Asia-Pacific Research Center

Kenji Kushida

Japan Program Research Associate
Shorenstein Asia-Pacific Research Center

Richard Dasher

Director
Stanford US-Asia Technology Management Center

Executive Summary

Innovation is essential for economic growth. Indeed it is the only way for an advanced economy such as the United States and Japan to achieve sustained growth. Silicon Valley has been the leading case on how the economy thrives with constant flow of innovation. Japan does not lack innovative ideas, but the ideas sometimes had trouble growing into successful businesses and contributing to economic growth. The Japanese government puts promotion of innovation high on the list of the growth strategy (aka the third arrow of Abenomics). We are starting to observe more active flows of innovative ideas and people between Japan and Silicon Valley.

The Stanford Japan Program at the Walter H. Shorenstein Asia-Pacific Research Center has launched a multi-year project from 2013 to create new channels of dialogue between experts and leaders of younger generations from the United States, mostly from the West Coast, and Japan under the name of “New Channels: Reinvigorating U.S.-Japan Relations” with a grant received from the Sasakawa Peace Foundation. The goal is to reinvigorate the bilateral relationship through the dialogue on 21st century challenges faced by both nations.

The dialogues are structured to examine the new challenges of the 21st century, in particular, economic growth and employment creation; innovation and entrepreneurship; energy; and East Asian regionalism, including regional security issues. The aim is to develop mutual understanding and constructing a new relationship for cooperation in dealing with 21st century challenges through dialogue between scholars, entrepreneurs, and policy makers from the two countries. Our intent is that this multi-year initiative will generate a network of trans-Pacific expertise as a vital supplement to existing avenues of communications.

In its second year, the Stanford-Sasakawa Peace Foundation New Channels Dialogue focuses on innovation. A public conference titled “Innovation: Silicon Valley and Japan,” takes place on January 22 at Stanford University with participants that include business leaders, academics and experts from both the United States and Japan. We review some recent development of innovations in both Silicon Valley and Japan, and explores how Silicon Valley and Japan can collaborate on promoting innovation driven economies on both sides of the Pacific.

Agenda For Panel Discussion

1/22/2015... Day 1 - Bechtel Conference Center, Encina Hall

8:45 - 9:15	REGISTRATION AND BREAKFAST	
9:15 - 9:30	WELCOME Gi-Wook Shin Yuji Takagi	Director, Shorenstein APARC, Stanford University President, Sasakawa Peace Foundation
9:30 - 10:50	PANEL DISCUSSION I: <i>“Current State of Silicon Valley Innovations”</i>	
	Chair: Kazuyuki Motohashi	Sasakawa Peace Fellow, Shorenstein APARC, Stanford University
	Panelists: Richard Dasher	Director, US-Asia Technology Management Center, Stanford University
	Patrick Scaglia	Consultant and Technology Advisor, Statup Ventures and Former Senior Executive, Hewlette Packard
	Tak Miyata	General Partner, Scrum Ventures
	Norman Winarsky	Vice President, SRI Ventures, SRI International
10:50 - 11:10	COFFEE BREAK	
11:15 - 12:30	PANEL DISCUSSION II: <i>“Current State of Innovations in Japan”</i>	
	Chair: Kenji Kushida	Research Associate, Japan Program, Shorenstein APARC, Stanford University
	Panelists: Yusuke Asakura	Visiting Scholar, US-Asia Technology Management Center, Former CEO, mixi
	Takuma Iwasa	CEO, Cerevo
	Yasuo Tanabe	Vice President and Executive Officer, Hitachi Ltd.
	Hiroaki Yasutake	Managing Executive Office and Director, Rakuten
12:30 - 13:30	LUNCH	

- 13:30 - 14:50
- PANEL DISCUSSION III:
“Taking Silicon Valley Innovations to Japan”
- Chair: Richard Dasher Director, US-Asia Technology Management Center,
Stanford University
- Panelists: Jeff Char President, J-Seed Ventures, Inc.,
Chief Mentor, Venture Generation
- Allen Miner Founder, Chairman & CEO, SunBridge Corporation
- Akiko Futamura President and CEO, InfiniteBio
- John Roos Former U.S. Ambassador to Japan
- 14:50 - 15:10
- COFFEE BREAK
- 15:10 - 16:30
- PANEL DISCUSSION IV:
“The Japanese Innovation Ecosystem and Silicon Valley: Bringing them Together”
(How Japanese firms can make use of SV?)
- Chair: Takeo Hoshi Director, Japan Program,
Shorenstein APARC, Stanford University
- Panelists: Robert Eberhart Assistant Professor, Santa Clara University,
STVP Fellow, Stanford University
- Gen Isayama CEO and Co-Founder, WiL, LLC (World Innovation Lab)
- Naoyuki Miyabe Principal, Miyabe & Associates, LLC
- Hideichi Okada Senior Executive Vice President, NEW Corporation
- 16:30 - 16:45
- CLOSING REMARKS
- Kazuyuki Motohashi Sasakawa Peace Fellow,
Shorenstein APARC, Stanford University

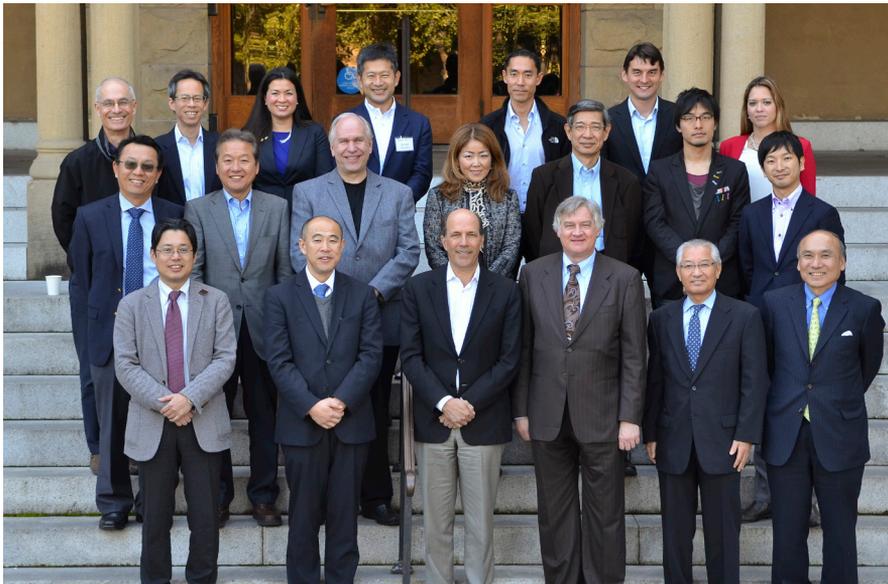
Agenda For Closed Session

1/23/2015... Day 2 - Oksenberg Conference Room, Encina Hall

8:30 - 9:00	REGISTRATION AND BREAKFAST
9:00 - 10:20	CLOSED DISCUSSION I: <i>"How can Japan benefit from Silicon Valley?"</i>
10:20 - 10:30	COFFEE BREAK
10:30 - 12:00	<i>Discussion</i>
12:00 - 13:15	LUNCH
13:15 - 14:45	CLOSED DISCUSSION II: <i>"How can Silicon Valley be enhanced by closer interactions with Japan?"</i>
14:45 - 15:15	COFFEE BREAK
15:15 - 16:15	<i>Discussion</i>

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PANEL DISCUSSION

Day 1

The conference opened with remarks by Gi-Wook Shin (Director, Shorenstein APARC, Stanford University) and Yuji Takagi (President, Sasakawa Peace Foundation). Professor Shin noted that knowledge-sharing forums have proven an important component to not only the spread of innovative ideas, but also to their adoption – in the marketplace, in government, and elsewhere – and their ability to make an impact on economic growth and prosperity. Mr. Takagi added that the New Channels project opens an arena of dialogue with new voices, and nurtures a new generation of experts and policymakers on both sides of the Pacific.





Current State of Silicon Valley Innovations

PANEL DISCUSSION I

Kazuyuki Motohashi

Sasakawa Peace Fellow, Shorenstein APARC, Stanford University

Richard Dasher

Director, US-Asia Technology Management Center, Stanford University

Patrick Scaglia

Consultant and Technology Advisor, Startup Ventures and Former Senior Executive, Hewlette Packard

Tak Miyata

General Partner, Scrum Ventures

Norman Winarsky

Vice President, SRI Ventures, SRI International

The first panel discussion began with Richard Dasher (Director, US-Asia Technology Management Center, Stanford University), presenting some conceptions of how innovation in Silicon Valley functions. He noted that the rate of new company formation in Silicon Valley is actually, on average, the same as other notable growth areas in the United States. Professor Dasher went on to discuss some of the ways in which Silicon Valley operates uniquely. One of the most important factors has been the venture capital (VC) and angel investment activity. Recently, the trend has shifted from VC backed exits aiming for at an IPO to a greater number of acquisitions by larger companies. These acquisitions, along with a robust and fluid labor market, increase the flow of people, knowledge, and capital within the Silicon Valley ecosystem. Professor Dasher ended his presentation by raising the benefits and drawbacks of crowd funding, a topic that was picked up later in the discussion.



Tak Miyata (General Partner, Scrum Ventures) used his experiences as an early stage venture capitalist to identify five trends he believed were: lean startups and the cost decrease of starting a business, smartphones and consumer lifestyle changes, the rise of lean hardware, the increasing number of corporate accelerators, and lastly, an increase in immigration activity and remote work. Patrick Scaglia (Consultant and Technology Advisor, Startup Ventures and Former senior executive, Hewlett Packard) discussed how Silicon Valley has re-invented itself over the years and brought up some new and important aspects of early business development in Silicon Valley. He noted that it has never been easier to start a company due to the wide variety of inexpensive resources available, the support of effective incubators, and the changing role of universities toward creating economic impact. Mr. Scaglia addressed the rise of crowd funding by noting that it can be used as an easy way for new companies to test product-market fit.



Norman Winarsky (Vice President, SRI Ventures, SRI International) outlined some of the latest cutting edge technological advances supporting Silicon Valley innovation. He pointed to breakthroughs in artificial intelligence, personalized medicine, cyber security, robotics and prosthetics.

Moderator, Kazuyuki Motohashi (Sasakawa Research Fellow, Shorenstein APARC, Stanford University and Professor of Technology Management, The University of Tokyo) open up discussion with the question, “can silicon valley be replicated?”. Silicon valley is evolving over time, and always leading the world by new



innovation model. The panel debated issues of crowd funding, the changing roles investment stages, and agreed that prototypes have become a necessary prerequisite to receiving funding. The panel was then engaged by questions from the audience, which ranged from medical device innovation in Japan, to DARPA (Defense Advanced Research Projects Agency) style funding for Japanese projects, to the importance of having the entire team of a newly formed company being physically located in Silicon Valley. It was pointed out that while, there is no military funding program such as DARPA in Japan, the Japanese government has created large grant programs for universities aimed a commercialization. Dr. Winarsky commented on some of the problems with medical device ventures, including large initial funding requirements and the long process of clinical approval. Mr. Scaglia took up the question of physical presence, pointing out that it is not necessary for day-to-day activities, but all panelists agreed that it is important to have an executive in the area in order to move and react quickly, understand what is going on in the target market, and identify emerging technological trajectories.



Current State of Innovations in Japan

PANEL DISCUSSION II



Courtesy of dantada at Morguefile

Kenji Kushida
Research Associate, Japan Program, Shorenstein APARC, Stanford University
Yusuke Asakura
Visiting Scholar, US-Asia Technology Management Center and Former CEO, mixi
Takuma Iwasa
CEO, Cerevo
Yasuo Tanabe
Vice President and Executive Officer, Hitachi
Hiroaki Yasutake
Managing Executive Office and Director,

Kenji E. Kushida (Research Associate, Japan Program, Shorenstein APARC, Stanford University) opened the second panel discussion by speaking about the aim of the conference—mainly to look at interesting new developments and areas of strength for Japan. He clarified that this panel was designed to go beyond typical discussions about Japanese innovation in the US of the last twenty years or so that lament how Japan had lost its global competitive edge and faces numerous challenges, and actually focus on cutting-edge developments and innovations. Yusuke Asakura (Visiting Scholar, US-Asia Technology Management Center and Former CEO, mixi) spoke about his experiences as an entrepreneur and as CEO of Mixi, emphasizing the importance of acquisitions in maintaining a competitive edge for large companies. Mr. Asakura discussed his own experience taking a former social network star company that had fallen on hard times, and turning it around drastically. He went on to discuss several trends in Japanese startups including an increase in initial public offerings, and the effect of new government policies making it easier for startups to raise funds while making more money available to VC. Takuma Iwasa (CEO, Cerevo) spoke about his hardware startup, Cerevo, and how the focus of such new ventures are almost always small or non-existent markets. He described how Japanese large firms are beginning to shed high quality engineers and employees who are looking for inspiration and excitement; his firm’s employees read like a “who’s who” of Japanese industry titans for their former employers. He also mentioned a key insight into Japan’s strengths that can complement weaknesses of Silicon Valley—the difficulty of finding high quality hardware engineers in Silicon Valley, while Japan has an abundance.





Introducing a large firm perspective, Yasuo Tanabe (Vice President and Executive Officer, Hitachi Ltd.) presented on the current state of innovation at Hitachi. In response to record losses in 2008, Hitachi restructured its executive management, and strengthened its IT portfolio with a focus on “social innovation” projects. The success of these initiatives has led to a V-shaped recovery for Hitachi. Particularly noteworthy overseas projects included a massive contract to operate high speed rail in the United Kingdom. Hiroaki Yasutake (Managing Executive Office and Director, Rakuten) discussed the semi-autonomous growth of Rakuten as a successful E-commerce platform, with partner companies and users driving innovation in new and unexpected ways, unanticipated by the platform provider (Rakuten) itself. He painted a portrait of Hiroshi Mikitani, the CEO of Rakuten, as a visionary entrepreneur in Japan, with early visions of mobile commerce before the smartphone era, and the radical mandatory adoption of English as Rakuten’s internal language.

Once the floor was opened to questions, audience members asked the effect of Japanese government policy on innovation. Mr. Tanabe responded by pointing out that Prime Minister Abe, with the third arrow of his economic plan, is attempting to transform conservative business models. Many people were interested in how Japan can act more like Silicon Valley, but Mr. Asakura replied that it does not necessarily need to do so entirely. He continued that some changes should be made regarding labor policies and how Japanese people view large corporate entities. In response to a question about the current state of access to debt capital in Japan, Mr. Asakura noted that it’s still hard for startups to get early financing from financial institutions, but it is much easier to receive funding from the government.



Dr. Kushida brought up the question of what large Japanese companies can do to make best use of the Silicon Valley ecosystem—that discussions should move beyond lamenting about how Silicon Valley cannot be duplicated elsewhere, and

that simply comparing Silicon Valley's strengths with Japanese large firms' weaknesses is not constructive. He raised the example of Sony's use of crowd funding of an e-ink based watch for proof-of-concept, while not disclosing that it was a Sony effort. More questions were raised about the mentality of college graduates in Japan, who are moving away from desiring life-time employment at large companies, even among the highest-level students. The Japanese mentality toward failure was also addressed. In Japan, there are many sources of pressure to prevent doing new things for fear of failure. Mr. Yasutake pointed out that in order to address this problem, the behavior of managers need to change from penalizing failure to recognizing it as a natural byproduct of innovative policies. Mr. Iwasa noted that Japanese companies place too much focus on over-engineering and too little on marketing or PR, or overall product conceptualization.



Taking Silicon Valley Innovations to Japan

PANEL DISCUSSION III

Richard Dasher

Director, US-Asia Technology Management Center, Stanford University

Jeff Char

President, J-Seed Ventures, Inc. and Chief Mentor, Venture Generation

Allen Miner

Founder, Chairman & CEO, SunBridge Corporation

Akiko Futamura

President and CEO, InfiniteBio

John Roos

Former U.S. Ambassador to Japan

Jeffrey Char (President, J-Seed Ventures, Inc. and Chief Mentor, Venture Generation) Began the panel discussion speaking to his previous experiences exporting “time-machine” businesses that already existed in the U.S. to Japan, such as domain registration, social lending, and fantasy sports. Mr. Char placed more importance on the necessity of changing mentalities in Japan, rather than changing business models. While there are relatively more young people in Japan who are willing to take on risk, they face a higher degree of actual risk than their American counterparts due to existing mentalities toward failure. Mr. Char agreed with previous panelists that increasing M&A activity in Japan would allow entrepreneurs and investors to exit faster and could greatly improve the ecosystem. Akiko Futamura (President and CEO, InfiniteBio) spoke about the leading role of Silicon Valley in the biotech industry, and the continuing importance of life sciences in the ecosystem. The process of drug development is long and arduous, but the results of one drug can lead to huge success for a company.





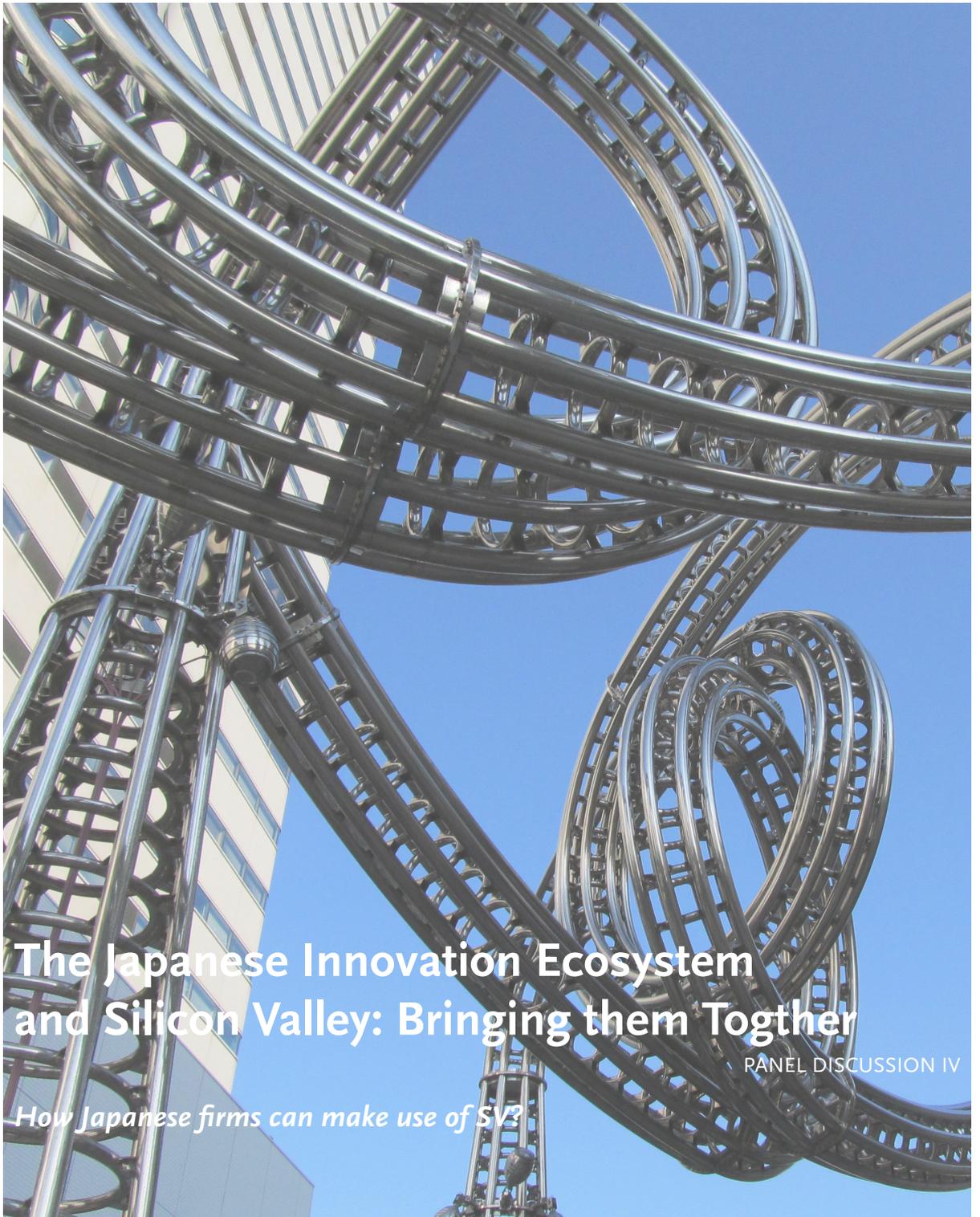
Allen Miner (Founder, Chairman & CEO, SunBridge Corporation) brought up the importance of understanding difference business practices—noting that there are many universal needs and desires that make global business possible, but emphasizing that in crossing borders, the “how” is more important than the “what”. In this respect, having trustworthy partners in Japan to assist and learn from can greatly improve chances of success in the Japanese market. Moving on to the start-up ecosystem in Japan, Mr. Miner observed that it is about 20 years behind the U.S., and as such, the venture capital and startup ecosystem in Japan might be entering its golden age. He also noted the ambitious drive by the Japanese government to invest in university startups. Ambassador John Roos (Former U.S. Ambassador to Japan, former Chief Executive Officer and Senior Partner of Wilson Sonsini Goodrich and Rosato) presented the eleven components he finds most important in Silicon Valley’s unique ecosystem: encouragement of risk taking; celebrating the entrepreneur; mobility of talent; cultural diversity; access to risk capital; global outlook; government commitment; corporate governance rules; innovative educational institutions; viable exit strategies; and service providers for supporting young entrepreneurs. While not all may apply to Japan, these points create a useful framework for critiquing the Japanese model.



Moderator Richard Dasher raised the question of how to convince people in Silicon Valley that Japan is the place to take innovation. Mr. Char responded that there is less competition in Japan, so while raising VC funding may be more difficult, companies can succeed with less money, meaning greater returns on investments. Dr. Futamura noted that if the technology is too early, and the market doesn’t exist in Japan, results can take a long time. That being said, when observing the com-

plexities of the other major Asian markets (China, India, etc.) Japan begins to look increasingly attractive with its large economy, developed markets and consumer base, as well as its emphasis on IP protection. Despite these advantages, the panel agreed that they are not seeing a trend of Japan being used as gateway to Asia; there is a perception that Japan is not centrally located and too expensive. The panel then looked at the current start-up community in Japan, noting that it seems to be focused on software and services even though Japan may be better equipped to handle hardware than the U.S., which is currently seeing increasing activity in the hardware sector. Mr. Char emphasized that this is most likely due to the risk involved in hardware startups, and Japanese investors strong preference to pre-IPO profitability. Prompted by audience questions, the discussion turned to legal support for entrepreneurship in Japan. Ambassador Roos said that in Silicon Valley, physical proximity and legal services were essential to supporting entrepreneur's success. For example, many Silicon Valley law firm provide legal services with payment deferred until a company gets funded, meaning that they are taking on risk as well—but are consequently good at assessing startups, proving another layer of screening that successful startups go through. Finally, Mr. Char added that with Japanese legal services, there is a tendency toward perfection that extends into the legal sphere, leading to slow efficiency and lost opportunities—startups don't need to hear reasons why it can't be done, but rather how to get something done given the legal framework.





The Japanese Innovation Ecosystem and Silicon Valley: Bringing them Together

PANEL DISCUSSION IV

How Japanese firms can make use of SV?

Takeo Hoshi

Director, Japan Program, Shorenstein APARC, Stanford University

Robert Eberhart

Assistant Professor, Santa Clara University and STVP Fellow, Stanford University

Gen Isayama

CEO and Co-Founder, WiL, LLC (World Innovation Lab)

Naoyuki Miyabe

Principal, Miyabe & Associates, LLC

Hideichi Okada

Senior Executive Vice President, NEC

The final panel discussion of the day began with Naoyuki Miyabe (Principal, Miyabe & Associates, LLC) discussing the challenges large Japanese corporations face in producing disruptive growth, but also stating that there are tremendous opportunities for mutually advantageous acquisitions of American startups if Japanese companies can learn how to manage their acquisitions and thrive on the cultural differences. Mr. Miyabe noted that the three most important aspects for large companies are: strong senior and executive management commitment; local working team autonomy; and collaborative diversity. Following this, Robert Eberhart (Assistant Professor, Santa Clara University and STVP Fellow, Stanford University) emphasized that Silicon Valley has a long and unique history that must be taken into account when examining the ecosystem. Professor Eberhart also challenged some of the myths surrounding Silicon Valley—pointing out that in fact the rate of new company creation in Japan is equal to that of the US, and that most areas of the U.S. with high VC activity also have high taxes and stricter regulations. The larger than life personalities of Silicon Valley have given birth to many exaggerations about how the ecosystem works. Professor Eberhart tried to narrow it down, stating that in actuality, two of the most important aspects of Silicon Valley are its network and highly mobile labor market.



Hideichi Okada (Senior Executive Vice President, NEC Corporation) spoke from the perspective of another large Japanese corporation, NEC. He noted that since 3/11, the many challenges faced by Japan, especially in the energy sector, have prompted waves of new innovation. However, these innovations are often heavily

protected within corporate walls and are not applicable to a wide range of businesses—thus information transfer is restricted. Moreover, Mr. Okada observed that in Silicon Valley it is not just the younger generations, but also many elderly people continue to innovate and participate in the workplace.



Gen Isayama (CEO and Co-Founder, WiL, LCC (World Innovation Lab) presented his vision for transforming Japan into a “startup nation”. Compared to the U.S., the market capitalization for major companies is much lower in Japan. Moreover, the percentage of graduates of elite universities in the U.S. who form startups is increasing, while they remain relatively few in Japan. However, government support, increasing corporate venture capital activity, larger funding rounds, and more M&A's are indications that positive change is underway in Japan. There are rising entrepreneurial stars, but for the most part the entrepreneurial mindset remains missing. Mr. Isayama spoke to the importance of bringing Japanese entrepreneurs and managers to Silicon Valley for 3 to 6 months, allowing them to learn from their experiences here, and take that energy back to Japan.



Moderator Takeo Hoshi (Director, Japan Program, Shorenstein APARC, Stanford University) posed the question of how Japanese companies can take their technologies to Silicon Valley in order to do more with them. Professor Eberhart responded that more than products, Japanese companies should spend more time immersed in the network here. Mr. Okada re-emphasized the importance of releasing R&D findings and seeking to apply them to multiple business models and systems worldwide. Mr. Okada also said that the Japanese companies who have been hoarding cash for 10-15 years, should begin to invest that money externally. Mr.

Isayama added that focusing on the domestic Japanese market is no longer enough to create a scalable business. Professor Eberhart and Mr. Miyabe both reiterated the importance of changing the mindset of the Japanese people toward entrepreneurship. Professor Eberhart presented three major social changes that Japan is currently undergoing: decrease in the promise of lifetime employment, changes in the family structure, and changes to the composition of the labor force. To take full advantage of this, managers and executives must give their employees support and commitment even in the face of failure. Mr. Okada closed the discussion by saying that as the previous Sasakawa Peace Fellow, his experience in Silicon Valley taught him to embrace young employees who are willing to take risk, while accepting their failures as a necessary part of innovation and development.



CLOSING REMARKS

Kazuyuki Motohashi concluded one day conference by pointing out the difference of innovation system between Japan and Silicon Valley in term of risk sharing system. In Japan, all risks associated with startup business are levied on entrepreneur him/herself, while those risks are share by innovation eco-system players such as venture capitalist, banks and lawyers in Silicon Valley. However, recent institutional changes in Japan's entrepreneurship environment should be noted, and new technology startups are emerged, particularly in software industry. Prof. Motohashi pointed out three factors, (1) economic, (2) institutional and (3) cultural difference to explain cross country differences. Economic and institutional factors are converging as globalization of business activities take place, but cultural difference stays at the end. However, the point is not that Japanese business culture should change, but that both sides should understand each other. Prof. Motohashi ended his remark by congratulate all participants at the conference for narrowing the gap of understanding of both sides in this regard.



CLOSED DISCUSSION

Day 2

On the second day, a closed discussion among the dialogue participants led to a frank discussion surrounding two broad questions: How can Japan benefit from Silicon Valley? And how can Silicon Valley benefit from Japan?



Participants For Closed Sessions

ALPHABETICALLY ORDERED

Masahiko Aoki*FSI Senior Fellow, Stanford University***Michael Armacost***Shorenstein Distinguished Fellow, Shorenstein APARC, Stanford University***Yusuke Asakura***Visiting Scholar, US-Asia Technology Management Center, Stanford University and Former CEO, mixi***Kei Ashizawa***Attorney at Law***Jeff Char***President, J-Seed Ventures, Inc. and Chief Mentor, Venture Generation***Richard Dasher***Director, US-Asia Technology Management Center, Stanford University***Robert Eberhart***Assistance Professor, Santa Clara University and STVP Fellow, Stanford University***Akiko Futamura***President and CEO, InfiniteBio***Takeo Hoshi***Director, Japan Program, Shorenstein APARC, Stanford University***Gen Isayama***CEO and Co-Founder, WiL (World Innovation Lab)***Takuma Iwasa***CEO, Cerevo***Katsuya Kurachi***Project Manager, Planning & Development Group, Aisin Seiki***Kenji Kushida***Research Associate, Japan Program, Shorenstein APARC, Stanford University*

Phillip Lipsky

FSI Center Fellow & Assistant Professor at Department of Political Science, Stanford University

Allen Miner

Founder, Chairman & CEO, SunBridge Corporation

Kazuyuki Motohashi

Sasakawa Peace Fellow, Shorenstein APARC, Stanford University

Takeshi Ogino

Senior Engineer, Business and Engineering Solution Division, Hitachi Ltd.

Hideichi Okada

Senior Executive Vice President, NEC Corporation

Harry Rowen

Senior Fellow, Shorenstein APARC & Hoover Institution, Stanford University

Daniel Sneider

Associate Director for Research, Shorenstein APARC, Stanford University

Yuji Takagi

President, Sasakawa Peace Foundation

Yasuo Tanabe

Vice President and Executive Officer, Hitachi Ltd.

Ginger Vaughn

TV Journalist, Reporter, CCTV America

Dai Watanabe

Vice President, Strategy & CEO Office, DeNA West

Yasumasa Yamamoto

Industry Analyst, Google Japan

Hiroaki Yasutake

Managing Executive Officer and Director, Rakuten



How can Japan benefit from Silicon Valley?

CLOSED DISCUSSION I

Courtesy of d7oomi911 at Morguefile

In the morning session, Kazuyuki Motohashi led off the discussion with some initial thoughts. Takeo Hoshi moderated the discussion. Each participant was given an opportunity to list what they saw as a key benefit for Japan from closer ties to Silicon Valley. In the ensuing discussion, the following nine themes emerged.

1) Access to Networks and Talent in Silicon Valley

Having a vibrant and solid network in Silicon Valley can reward companies by offering them access to top talent in cutting edge fields. Furthermore, the network is not only local; Silicon Valley is a global hub that gives companies access to global talent. The talent that gathers here is also heavily incentivized and compensated, increasing their competitiveness. Furthermore, Silicon Valley provides a platform for skilled individuals to develop their businesses through access to the right networks and support systems. When these companies begin to grow, the horizontal networks and meet-up culture ensures that people are always available when good focal points are presented.

However, building networks takes time and Japanese companies need to be ready to commit personnel to fostering networks in Silicon Valley over the long term. Building a better infrastructure to assist Japanese companies in networking should be considered as a means to accelerate this process. In addition, bilateral exchange in the form of study abroad programs and employee transfers between the U.S. and Japan would greatly improve opportunities for the creation of interpersonal networks.



2) Access to Venture Capital and Equity Funding

In the U.S. and especially in Silicon Valley, equity financing is much more readily available than in Japan. This impacts not only the access to capital for Japanese entrepreneurs, but also their experiences in developing their business. The process of pitching to dozens of VC can help entrepreneurs think critically about their business plan. VC ask important questions and their feedback can often have more impact than their capital.

3) Access to Support Resources

A critical component of the Silicon Valley ecosystem is the support network that lies behind startup ventures. These include law firms, incubators, accelerators, mentors, and venture capital, etc. There are also third party resources that can help Japanese employees of large corporations gain M&A negotiating experience. Unfortunately, most Japanese do not have the English skills or necessary negotiating skills to take full advantage of such support. As such, Japan should attempt to implement some of the special service systems that are in place in Silicon Valley, allowing Japanese entrepreneurs easier access to these resources, but also helping them to better understand their function.

4) Access to Global Markets

Silicon Valley attracts companies and individuals from all over the world, which in turn provides access the U.S. and global markets. This can be a gateway for Japanese entrepreneurs who are targeting the global market. For B2B opportunities, Japanese companies can find many global corporate customers here. For B2C, Silicon Valley has many specialized markets with specialized funding, and there are opportunities to perform market tests here. Access opportunities are not unilateral; Japan is a highly sophisticated and developed market with great opportunities, but Silicon Valley companies are still trying to figure out how to best sell their products in Japan.

5) Access to New Technologies and Business Models

Having a presence in Silicon Valley means having access to the latest disruptive technologies and innovative business models. Most major American, Japanese, European companies have offices in Silicon Valley—they are all looking for new technologies and information, but many are also looking to collaborate. As a result, information and technology is constantly flowing around the ecosystem, identifying and spreading the newest tech and business models. There is a strong passion for

problem solving in Silicon Valley, but the process can be erratic and being ready to capitalize on innovative and disruptive technologies means maintaining a constant presence in the area. There are also opportunities for Japanese manufacturers to collaborate with the companies that are creating technologies that require high-end manufacturing.

6) Exit Opportunities

The momentum in the U.S. for large companies acquiring startups is much greater than it is in Japan and providing more exit opportunities for Japanese startups through acquisition (for example, Google's acquisition of Shaft). This is partially a result of the open innovation mentality that exists here—companies consider acquisition a key component of maintaining their competitive advantage. Furthermore, the TSE is cash-limited and it is easier for companies to get a higher valuation in the U.S than in Japan.



7) Silicon Valley as a “Dejima”

Establishing Silicon Valley branches, far from the corporate headquarters in Tokyo can provide companies with a kind of “Dejima,”* somewhat isolated in a beneficial way, as an incubator for new opportunities. This is especially true in the utilization of Silicon Valley for R&D that may not be within the lines of a company's traditional core business model.

*Dejima – an island off of the port city of Nagasaki that was the sole trading port for foreign merchants during most of the Tokugawa era, which lasted from 1603-1868.

8) Silicon Valley's Iconic Location

Silicon Valley is an iconic symbol, one that has the potential to help change the mindset of Japanese people toward entrepreneurship. Starting a company or maintaining a presence here gives companies a global legitimacy and credibility. As such, many immigrants are incentivized by the fact that failure often means that they must return to their country of origin. On an individual level, many Japanese have experienced a shift in mindset after spending even a brief period of time in Silicon Valley. These people are often much more motivated and inspired to become entrepreneurs, or advance the entrepreneurial cause. However, there is still difficulty when these individuals try impressing their new mindset on the management in Tokyo—something gets lost in translation.

9) Lessons for the Japanese Government

The Japanese government can learn a great deal from observing the favorable conditions for business development in Silicon Valley—especially regarding the tax system, which benefits entrepreneurial activity. In Japan, there is relatively no lobby for favorable tax treatment toward entrepreneurs, a situation that is detrimental to increasing entrepreneurial activity. The tax code can provide strong incentives to would-be entrepreneurs and should be updated to encourage people in the right directions. Several other reforms to be considered are changing the immigration policy to allow for better flow of human capital, and joint citizenship for Japanese and foreigners who are doing cross border business. On the American side, visa requirements for Japanese, a largely low risk group, should be loosened. For example, a visa treaty with special tax treatment for startups could be created.





How can Silicon Valley be enhanced by closer interactions with Japan?

CLOSED DISCUSSION II

In the afternoon, the focus was on how Silicon Valley could benefit from Japan. Kenji Kushida began with several points framing the discussion, including the importance of focusing on the strengths of Japan augmenting the weaknesses and challenges facing Silicon Valley. Participants engaged in a free-flowing discussion moderated by Richard Dasher. Five key themes emerged.

1) Funding

The flip-side of competition between startups in Silicon Valley for venture capital funding being very competitive is that it is easier to get venture capital funding in Japan, since there are fewer startups competing for the same resources. Moreover, the overall amount of funding in Japan is plentiful. When funding is obtained in Japan, it comes with fewer strings attached.

2) Advanced Consumer Services and Components

Japan has many advanced technologies and services already deployed widely in mass markets, such as mobile payment systems and logistics. As an environment, Japan provides inspiration for how these various systems can work smoothly. Japan also excels in the manufacturing of advanced, high quality technology components. As such, there could be a shift from “Made in Japan” to branding such as “Japan Inside,” with Japanese manufacturers focusing on producing high-end advanced components—which they already are, but in a non-branded fashion. As the world moves towards the Internet of Things (IoT), with all manner of devices connected to the Internet and integrated into digital service offering, Japan’s manufacturing prowess can augment Silicon Valley’s conceptualization, business model, and software capabilities.



3) Undervalued Talent and Enterprises

As the world moves towards IoT, hardware engineers will become important again, and this is a resource that is plentiful in Japan and relatively scarce in Silicon Valley—especially engineers who can design scalable mass production at high quality. In terms of cost, Japan, the average salary for even the top engineering graduates is significantly lower than their American counterparts. This provides American companies with opportunities to recruit relatively low cost, highly talented labor. This is especially true for female talent in Japan. Japanese women tend to be undervalued in large Japanese companies, are often more mobile than their male colleagues, and are emerging as successful business leaders and scientists. The costs of employing top talent for conducting R&D in Japan could also be sig-



nificantly lower than in the U.S., especially in light of Japanese government subsidies for foreign R&D carried out in Japan. Many Japanese companies themselves are also undervalued, which gives American companies the chance to acquire new technology and talent through M&A at a lower cost. This is especially true for companies that are not located in the large commercial urban centers are undervalued simply due to their location. U.S. firms should look beyond Tokyo and Osaka when attempting to find partners or low cost, high quality manufacturing.

4) Strengths of the Japanese Model

While Silicon Valley excels at generating disruptive business models, conceptualization of products and services, development, and marketing, Japanese companies are excellent at sustaining businesses over the long term, with considerable experience in manufacturing. Many also have excess capacity and high quality engineers that can be deployed for new projects that are conducted jointly between Silicon Valley firms and large Japanese firms. Japan can be a role model for how to scale up, manufacture and sustain business over the long term. High quality manufacturing and consumer services are areas in which entire production chains in Japan can be an inspiration for Silicon Valley.

5) Connections to Asia

Japan's close geographic proximity to China and Southeast Asia and a long history of operating in these areas have also led to an accumulation of valuable experience with outsourced and off-shored manufacturing. Silicon Valley companies can leverage these connections to expand into the rest of Asia. A short flight within a similar time zone from Japan provides a far easier base of coordination than California. This is especially true when trying to outsource manufacturing, which can require numerous sudden trips and close coordination and monitoring.



At the end of the day, participants continued to discuss options and connections between the two countries, making valuable connections and strengthening interpersonal relationships over dinner. These ties are likely to form the basis of future interaction and collaboration between Silicon Valley and Japan, with a focus on innovation—a fulfillment of the mission of this conference which we hope will continue in some form in the future.

About the Panelists

ALPHABETICALLY ORDERED



Yusuke Asakura is a Visiting Scholar at US-Asia Technology Management Center at Stanford University and former CEO of mixi.

He joined McKinsey & Company as a management consultant after graduating from the University of Tokyo. After McKinsey, Asakura rejoined mobile tech startup, Naked Technology, as president & CEO in 2010, and got the company acquired by mixi in 2011. After the acquisition by mixi, he became President and CEO to turn around the company in 2013. He made the company profitable and revamped the market cap 25-folds in one year through creation of new businesses and structural reorganization. He left mixi as an Adviser in 2014.



C. Jeffrey Char is President of J-Seed Ventures, Inc. and Chief Mentor of Venture Generation, a Tokyo-based venture community.

Char is a serial entrepreneur and serves on the boards of several technology and social ventures. He also advises several large multinational corporations on global innovation. His past successes include Sozon, an online marketing company sold to ValueCommerce, Solis, a domain registrar sold to GMO Internet, SSK Technology, an electronics company sold to Suzuki Manufacturing, and Pario Software, a network security company sold to Lucent Technologies. He has experience as a corporate attorney, venture capitalist and research analyst and currently teaches entrepreneurship

at Waseda University in Japan and IE Business School in Spain.

Char studied economics at Sophia University in Tokyo and law at the University of California, Berkeley and Harvard Law School.



Richard Dasher has been Director of the US-Asia Technology Management Center at Stanford University since 1994 and Executive Director of the Center for Integrated Systems since 1998. He holds Consulting Professor positions in Electrical Engineering and East Asian Studies, conducting research and teaching about entrepreneurial innovation, regional innovation systems, and the impact of new technologies on industry dynamics, with focus on U.S. and Japan/Asia institutions.

Dasher serves on review boards and advisory panels for major science and technology funding programs and institutes in Canada, Japan, and Thailand. He is an advisor to start-up companies, business accelerators, venture capital firms, and nonprofit organizations in the U.S., China, Japan, and S. Korea. Dr. Dasher served as a Board Director and member of the Management Council of Tohoku University from 2004 - 2010.

Dasher received M.A. and Ph.D. degrees in Linguistics from Stanford University and from 1986 – 90 directed the U.S. State Department's Advanced Language and Area Training Centers for U.S. and Commonwealth country diplomats in Japan and Korea.



Robert N. Eberhart is an Assistant Professor of Management at Santa Clara University and a STVP Fellow at Stanford University where he directs the Santa Clara / Stanford Project on Japanese Entrepreneurship. He is also a visiting professor at Kobe University and research associate at Columbia University. His research interests focuses on theories of institutional change and role of institutions on new venture performance. He also studies comparative corporate governance of growth companies. Eberhart's academic publications include topics such as new theoretical constructs on how institutional change has complex effects on new firms and entrepreneurs. Professor Eberhart won awards for the Best Paper Proceeding of the 2012 Academy of Management, and from the Fondation France-Japon de l'EHESS. He has been quoted in the New York Times, Forbes magazine, the Nikkei Weekly, and the Nihon Keizai Shimbun.

Eberhart serves as the Vice Chairperson of the U.S. Dept. of State and METI's Japan-US Innovation and Entrepreneurship Council. He is also an academic advisor to the American Chamber of Commerce's Task Force on New Growth Strategies as well as the Japan Innovation Network. He is a member of the Academy of Management, the Institute of New Economic Theory, the International Society for New Institutional Economics, and an advisor to Japan's Board of Director's Training Institute.

Eberhart earned his Ph.D. in Management Science from Stanford University after graduating from the University of Michigan (MA Economics) and Michigan State University (BA Finance). Before resuming his academic career, Dr. Eberhart was the founder and CEO of a successful Japanese start-up corporation, WinelnStyle (KK).



Akiko Futamura is the President and CEO of InfiniteBio, San Jose, California. She has extensive background in the business and science of biotechnology, and has worked for over 30 Japanese and US lifescience companies as an advisor/ consultant.

Currently Futamura is also the President and CEO of CarnaBio USA, the US subsidiary of Carna Biosciences. In addition, InfiniteBio is formulating a biotechnology company which is based on Futamura's past research. Her new company will specialize in rational design of peptides which bind to the novel binding site of the disease targets. There will also be a primary emphasis on rational design of cell-therapy which delivers activated genes that are useful for unfulfilled medical needs.

Futamura was the founding member and the Executive Vice President of SC BioSciences USA from 2001-2006. SC BioSciences, the subsidiary of the Sumitomo Corporation. She was also the Vice President of Summit Biotech from 2001-2004 where she was one of the primary decision makers conducting investment activities of Sumitomo Corporation.

Futamura obtained her B.S. in Biotechnology from University of Tokyo and a Ph.D. in Biochemistry from the University of Illinois Medical School, Chicago.



Takeo Hoshi is the Henri and Tomoye Takahashi Senior Fellow at the Walter H. Shorenstein Asia-Pacific Research Center at Stanford University, and a professor of finance (by courtesy) at the Stanford Graduate School of Business. Before he joined Stanford University in 2012, he was Pacific Economic Cooperation Professor in International Economic Relations at the Graduate School of International Relations and Pacific Studies (IR/PS) at the University of California, San Diego (UCSD), where he conducted research and taught on the Japanese economy for twenty-four years.

Hoshi is Visiting Scholar at Federal Reserve Bank of San Francisco, Research Associate at the National Bureau of Economic Research (NBER) and at the Tokyo Center for Economic Research (TCER), and Senior Fellow at the Asian Bureau of Finance and Economic Research (ABFER). His main research interest includes corporate finance, banking, monetary policy and the Japanese economy. He received the 2006 Enjoji Jiro Memorial Prize of Nihon Keizai Shimbun-sha, and 2005 Japan Economic Association Nakahara Prize. His book *Corporate Financing and Governance in Japan: The Road to the Future* co-authored with Anil Kashyap received the Nikkei Award for the Best Economics Books in 2002.

Hoshi received his B.A. in social sciences from the University of Tokyo in 1983, and a Ph.D. in economics from the Massachusetts Institute of Technology in 1988.



Gen Isayama is the CEO and Co-Founder of WiL, LLC (World Innovation Lab), an organization dedicated to accelerating and promoting open innovation in large corporations across Japan. Funded by enterprises from various industries, WiL provides investment capital and strategic guidance to Japanese startups entering the global market as well as overseas ventures entering the Japanese market. In addition, WiL incubates new businesses by leveraging unused IP and resources in large corporations, facilitating innovation and entrepreneurship.

Born and raised in Tokyo, Isayama joined IBJ (now Mizuho Financial Group) after graduating from University of Tokyo and moved to Silicon Valley in 2001 to attend Stanford Business School. After graduation, he joined DCM Ventures, one of the top-tier Silicon Valley venture capital firms, and worked as a partner until the summer of 2013.



Takuma Iwasa has been CEO of Cerevo, Inc. since he founded the company in 2007. Cerevo focuses on 'Connected' hardware and related apps. Their main product is 'LiveShell,' which is a video transmitting device for web-casting services such as Ustream, YouTube live, which allows the user to connect a camcorder to an existing HDMI cable without a PC. They focus on the global-niche market, and roughly 50% of their revenue comes from outside of Japan.

Iwasa has 12 years of experience in the 'Connected' Consumer Electronics business area as a product planner. He formerly worked at Panasonic from 2003 to 2007, before founding Cerevo, Inc.



Kenji E. Kushida is the Japan Program Research Associate at the Walter H. Shorenstein Asia-Pacific Research Center and an affiliated researcher at the Berkeley Roundtable on the International Economy. He is the Project Leader of the Stanford Silicon Valley - New Japan Project.

Kushida's research interests are in the fields of comparative politics, political economy, and information technology. He has four streams of academic research and publication: political economy issues surrounding information technology such as Cloud Computing; institutional and governance structures of Japan's Fukushima nuclear disaster; political strategies of foreign multinational corporations in Japan; and Japan's political economic transformation since the 1990s.

Kushida has written two general audience books in Japanese, entitled *Biculturalism and the Japanese: Beyond English Linguistic Capabilities* (Chuko Shinsho, 2006) and *International Schools, an Introduction* (Fusosha, 2008).

Kushida holds a Ph.D. in political science from the University of California, Berkeley. He received his MA in East Asian studies and BAs in economics and East Asian studies, all from Stanford University.



Allen Miner is the Founder and Chairman of SunBridge Corporation. Miner is one of Japan's leading venture capitalists and angel investors with significant experience in internet, enterprise software, entrepreneurship and international business development. He and his firm were early backers of many innovative Japanese startups including Macromill, ITMedia and G-Mode and have been instrumental in the Japan market success of Salesforce.com, Concur, Marketo and others.

Through The Miner Foundation, he provides funding, guidance and support to a variety of organizations furthering social innovation and entrepreneurship in Japan.

Upon his graduation from Brigham Young University, Miner joined Oracle Corporation in 1986, where he subsequently founded and helped lead Oracle Japan. He has been recognized by *Fortune* and *Always On* as one of the world's 100 top technology investors.



Naoyuki Miyabe advises startup companies on finance, business development and alliance primarily focusing on energy, clean technology and advanced material sectors. He also helps large corporations searching for new technologies and businesses in Silicon Valley.

Prior to starting his own business, Miyabe was a Vice President at Goldman Sachs in San Francisco and Tokyo where he led a number of M&A, financing and principal investment transactions for semiconductor, electronics, energy, clean technology, auto and other technology / industrial clients.



Tak Miyata is General Partner at Scrum Ventures. He has over 15 years of international experience in the IT industry both as an entrepreneur and as a senior executive. NevenVision, Miyata's first US based startup, was acquired by Google in 2006. His second startup, Japan based J-Magic, was acquired in 2009 by mixi. At mixi, he served as the Executive Vice President of Alliance.

Miyata holds a Master's degree in nano Science from Waseda University.



Kazuyuki Motohashi joins the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) during the period of September 2014 to March 2015 as Sasakawa Peace Fellow, from the the University of Tokyo where he serves as a professor at the Department of Technology Management for Innovation, Graduate School of Engineering. Until this year, he had taken various positions at the Ministry of Economy, Trade and Industry of the Japanese Government, economist at OECD and associate professor at Hitotsubashi University.

Motohashi's research interest covers a broad range of issues in economic and statistical analysis of innovation, including economic impacts of information technology, international comparison of productivity, national innovation system focusing on science and industry linkages and SME innovation and entrepreneurship policy. He has published several papers and books on above issues, including *Productivity in Asia: Economic Growth and Competitiveness* (2007). At Shorenstein APARC, he conducts research project, "New Channles: Reinventing US-Japan Relationship", particularly focusing on innovation in Silicon Valley and its linkage with Japanese innovation system.

Motohashi received a Master of Engineering from University of Tokyo, MBA from Cornell University and Ph.D. in business and commerce from Keio University.



Hideichi Okada is Senior Executive Vice President, NEC Corporation, in charge of its global business strategy. Okada served as Vice Minister for International Affairs, Ministry of Economy, Trade and Industry (METI) from 2010 to 2012, where he promoted international trade and investment, and expanded industrial cooperation with various countries. He also served as Director General of Trade Policy Bureau (2008-2010) and Director General of Commerce and Information Policy Bureau in METI (2007-2008).

Okada worked for Prime Minister Junichiro Koizumi as his executive assistant, where he dealt with policies on economy, industry, energy, science and technology, and environment, and with public relations (2001-2006). He was a professor at National Graduate Institute for Policy Studies (GRIPS) (2006-2007) and a visiting scholar at Harvard Law School and IR/PS, University of California, San Diego in 2007. After he retired from METI, he served as Senior Adviser, NTT Data Institute of Management and Consulting from 2013 to 2014

From September 2013 to March 2014, Okada was Sasakawa Peace Fellow at Shorenstein Asia-Pacific Research Center, Stanford University, where he focused on the promotion of Japan-U.S. cooperation on energy.

Okada received LL.M. degree from Harvard Law School (1981) and graduated from the University of Tokyo with LL.Bs. (1976, 1975).



John V. Roos was the U.S. Ambassador to Japan from August 2009-13, a pivotal period in U.S.-Japan relations. Shortly after presenting his credentials to Japan's emperor, power shifted from the Liberal Democratic Party to the Democratic Party of Japan for essentially the first time in 50 years, and Roos played a key role in managing the U.S.-Japan relationship through the transition. Three and a half years later, power shifted back to the LDP, and once again, Roos was called upon to help manage the relationship through a major shift in government.

During his almost four years in Japan, Roos built relationships and established a rich and active dialogue with government leaders, businesspeople, media, and students over the course of his travels through all 47 of Japan's prefectures. In addition to addressing the security, economic, and global challenges that Japan and the United States faced, Roos put specific focus on innovation and entrepreneurship as well as trade issues, including Japan's announced intent to join the TPP.

Prior to his ambassadorial appointment, Roos served as Chief Executive Officer and Senior Partner at Wilson, Sonsini, Goodrich, & Rosati, a leading law firm in the United States in the representation of technology, life sciences, and emerging growth companies. There he helped lead his firm through multiple waves of innovation in Silicon Valley, from the growth of software and communications, to the Internet Age, to the emergence of biotechnology, clean technology and renewable energy, and to the social media revolution.

Roos is a graduate of Stanford University and Stanford Law School.



Patrick Scaglia is a Consultant and Technology Advisor to Startup Ventures. He is the founder of the Foundry@CITRIS (Berkeley, California), a startup incubator providing entrepreneurs with resources to build companies that make a significant impact on the world. Mr. Scaglia's areas of initiative include healthcare, biosystems, robotics, Cloud, mobility and semiconductor. He was the founding Director of the Center for Research in Energy Systems Transformation at UC Berkeley, working at the intersection of Public Policy, Business models and Technology.

Previously, Scaglia was a senior executive at Hewlett Packard, serving as CTO across multiple HP Business Including Imaging and Printing, Cloud and mobile platforms. Before HP, Mr Scaglia held executive and leadership positions at Evans & Sutherland, Cadence Design Systems and Alcatel-Lucent. He is a member of the Board of Directors of Audience, the leader in advanced voice and audio processing for mobile devices, Stoic.com, a Cloud platform for business applications and Quantumwise, a leader in Nanoscale simulation and modeling. He also served on several advisory boards including the Center for Information Technology Research in the Interest of Society, the College of Engineering Executive Advisory Board at the University of California Berkeley, the College of Computing at Georgia Tech, the National Science Foundation Directorate for Computer Information Science and Engineering.

Scaglia graduated from the University Louis Pasteur in Strasbourg, France, where he received bachelor's, master's degrees and Diplome d'Etudes Approfondies (DEA) in Physics. He also graduated from the Ecole Nationale Supérieure de Physique in Strasbourg with a master's degree in engineering.



Gi-Wook Shin is the director of the Walter H. Shorenstein Asia-Pacific Research Center; the Tong Yang, Korea Foundation, and Korea Stanford Alumni Chair of Korean Studies; the founding director of the Korean Studies Program; a senior fellow of the Freeman Spogli Institute for International Studies; and a professor of sociology, all at Stanford University.

As a historical-comparative and political sociologist, his research has concentrated on social movements, nationalism, development, and international relations. Shin is not only the recipient of numerous grants and fellowships, but also continues to actively raise funds for Korean and Asian studies at Stanford.

Before coming to Stanford, Shin taught at the University of Iowa and the University of California, Los Angeles. After receiving his BA from Yonsei University in Korea, he was awarded his MA and PhD from the University of Washington.



Yuji Takagi is president of the Sasakawa Peace Foundation, which was established in 1986 as a private non-profit organization in Tokyo. He leads by conducting initiatives available only to private foundations in order to contribute to world peace through a promotion of international interaction, understanding, and cooperation with a global society.

Takagi was senior research fellow at the Institute of Energy Economics, Japan, and vice president of the Middle East Research Center during 2008–11. He specialized in world energy and environmental issues, including world energy security, global environment analysis, U.S. energy policy and Middle East geopolitics, and the emerging Middle East economy, based on his extensive global experience derived from thirty-five years at Mitsui, fourteen years in the United States, and four years in the Middle East.

Yuji Takagi graduated from Hitotsubashi University with a bachelor's degree in business administration in 1973 and has completed the Program for Management Development at Harvard Business School in 1988



Yasuo Tanabe is Vice President and Executive Officer, Hitachi, Ltd. Before joining Hitachi, Ltd. in June 2010, he served the Japanese government for thirty-two years. Starting with the Ministry of International Trade and Industry in 1978, which reorganized as the Ministry of Economy Trade and Industry, he has covered wide range of policies such as trade, energy and environment.

Tanabe has represented the Japanese government for many international organizations such as the International Energy Agency. He was Vice President of the Research Institute of Economy, Trade and Industry, a METI-affiliated think-tank. During his tenure as Deputy Director-General for Economic Affairs of the Ministry of Foreign Affairs, he had been Chief Negotiator/Deputy Chief Negotiator for many Economic Partnership Agreements with ASEAN countries, Switzerland and Peru. He has written a book “Asia Energy Partnership” and articles on energy and trade issues.

Tanabe has B.A. in Law from the University of Tokyo (1978) and M.A. in International Relations from Stanford University (1985).



Norman Winarsky is Vice President of Ventures at SRI International, and is responsible for creating SRI’s highest value venture and license opportunities. He is a founder of SRI’s venture process, which includes venture and license incubation, seed funding, the Entrepreneur-In-Residence program, and the nVenture venture forum.

Winarsky was co-founder and board member of Siri, which was spun out from SRI in January 2008. Siri has now been incorporated into all Apple iPhones. He is currently a board member of Tempo and advisor of Kasisto, both SRI spinoffs. He helped found 35 ventures, published approximately 50 papers, and holds three patents with several pending. Norman has a particular focus on natural language, computer vision, and artificial intelligence.

Winarsky was a Visiting Scholar at Stanford, and a member of the National Academy Committee on Forecasting Future Disruptive Technologies. He was also an invited member of the mathematics department of the Institute for Advanced Study in Princeton, New Jersey, and an Assistant Professor at SUNY at Albany.

In 2011, Winarsky received the University of Chicago Alumni Service Award. In 2000, He and his team received an Emmy Award for outstanding achievement in technological advancement. In addition, he has received RCA’s highest honor, the Sarnoff Award.

Winarsky graduated with a B.A., M.S., and Ph.D. in Mathematics from the University of Chicago, and was awarded Summa Cum Laude and Phi Beta Kappa.



Hiroaki Yasutake is responsible for technology in Rakuten as Managing Executive officer and Director. He joined in 1998 when Rakuten was a small startup company. Prior to that, he worked for NTT.

Yasutake started his career as a web application engineer and led both the software development and operation teams and has been leading the technology team until now. He established a R&D center and grew his team from scratch to a globalized team with 2000+ people in 30+ locations spreading to all over the world. He received an award for “Best of CIO 2010” in Japan.

Yasutake graduated from Waseda University with BS and MS in Mathematics.

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