

WOMEN-2016/02/08

THE BROOKINGS INSTITUTION
FALK AUDITORIUM

WOMENOMICS 2.0:
THE POTENTIAL OF FEMALE ENTREPRENEURS IN JAPAN

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PARTICIPANTS:

Welcome:

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Institution

Featured Speaker:

MITSUE KURIHARA
Audit and Supervisory Board Member, Development Bank of Japan

Panel of Female Entrepreneurs:

DONNA FUJIMOTO COLE
President and Chief Executive Officer, Cole Chemical

FUJIYO ISHIGURO
President and Chief Executive Officer, Netyear Group Corporation

SACHIKO KUNO
Co-Founder, President and Chief Executive Officer, S&R Foundation

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P R O C E E D I N G S

MS. SOLIS: Good morning everyone, my name is Mireya Solis I am the senior fellow and Knight chair in Japan studies here at Brookings. It's a pleasure to welcome all of you this morning to this very exciting program. When we first hosted a seminar on womenomics, here at Brookings in the fall of 2003, this was a very new concept to people in the audience but now, womenomics has become a very familiar term to many of us. The efforts of the Japanese government to increase the rate of female labor participation to encourage Japanese companies to embrace diversity and change their hiring and promotion practices, to tackle shortages in childcare services, these are of course very commendable and well known efforts.

Significant progress has been made but quite frankly, a lot remains to be done but we chose the term 'Womenomics 2.0' because I actually wanted to highlight what I think is a critical aspect of encouraging and promoting women's participation in the economy that has not received the attention that it deserves and that is how do you encourage, nurture female entrepreneurship?

To be quite frank, if womenomics remains confined to the established corporate structure, it will be incomplete. An equally sustained effort is required to allow women to strike out on their own, to launch their businesses, to launch their products. This is a tall order; I think we are all very clear about that because women in Japan face two challenges: one is that entrepreneurship in general is not widespread in Japan. For a host of reasons that I'm sure we're going to discuss here today. The underdevelopment of venture capital, legal hurdles that make it very hard to recover from bankruptcy and quite frankly perhaps, cultural barriers that make it very hard for individuals in Japan to engage in risk as they pursue new businesses so there is that sort of challenge but on top of that, you have the additional hurdles that women face -- would be entrepreneurs face when they try to think about that new possibility and that is the lack of access to those assets that are widely perceived as essential to success.

What assets do I have in mind? Well access to business networks, to financing, to technology, to distribution channels to reach markets at home and abroad. So the list of challenges is long but the opportunities are also significant. Entrepreneurship offers Japanese women the opportunity to bypass rigid corporate hierarchies, to custom tailor their schedules to better achieve work/life balance

and the opportunity to tap onto their ingenuity, their creativity, to identify new business opportunities.

We have a very distinguished set of panelists, of speakers today to walk us through these very important topics. We will start with a presentation by Mitsue Kurihara on the challenges of promoting female entrepreneurship and the very important work that she's doing with the development bank of Japan to achieve this. Ms. Kurihara, founded in 2011, the Women Entrepreneur Center to support new female-run businesses. She currently serves in the DBJ's board and I should know that she is the only female in the DBJ board and just chatting with her before coming to the stage, she also was, at some point, the only manager and she's always been the trailblazer it seems to me in the DBJ.

After Ms. Kurihara's presentation, we'll move to a panel of female CEOs and I will make the introductions of these very talented women then but for now, Ms. Kurihara, if you could please come to the podium for your presentation, thank you. (Applause)

MS. KURIHARA: Thank you, Dr. Solis. It's my pleasure to meet you today. My name is Mitsue Kurihara. I am an Audit and Supervisory Board Member of DBJ, Development Bank of Japan and the founder of DBJ Women Entrepreneur Center or WEC. And thank you for providing me an opportunity to introduce DBJ initiatives ready to women entrepreneurs. I have learned a lot from our activities in connection with women entrepreneurs. Today I will talk about that and introduce recent situations on female led businesses in Japan.

First, I will introduce two women, they are winners of DBJ competitions. Rie Yano on the left side is the president of Material World. Her business is a luxury fashion trading service. She started her business in New York City and her co-founder is a Chinese woman. She started her company drawing on her experience with Mitsubishi Corporation and Coach. She hopes, in the future, to bring her business to Japan. I think she represents a new type of woman entrepreneur.

The second woman on the right side is Rika Yajima, a founder and CEO of Ioro Companies. Ioro in Japanese means "combine together." She uses traditional handcrafting methods to create products for infants and children. She launched her business during her fourth year of college with the aim of connecting children in the next century with the tradition in Japan.

In 2011, before Abenomics started, I launched the DBJ Women Entrepreneur Center to

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encourage and support women in new businesses. The DBJ WEC holds business competitions for female entrepreneurs and provides comprehensive support in areas including finance, network building, business matching, and start up skills and experience. Why did I launch the center?

Women-led businesses from new perspectives are the driving force for renewed growth and social change in Japan. Our expectations are rising for female businesses in times of both quantity and quality which means women are expected to boost the labor force under the current conditions of decreasing populations. Compensation for the potential Mampara Agreement will add 1.5% to GDP growth. In addition to that, women-led businesses bring new value to the entire society.

Our activity is significant from three perspectives. First, Japanese Prime Minister Abe's Japan revitalization strategy includes support for women, both employees and entrepreneurs but mainly employees. Women who develop their careers playing active roles in companies, including at the management level are role models for women entrepreneurs in the industry, like me and women who choose startups, new businesses are other models. Both types of participation are equally important, I think.

The second prospective, entrepreneur activities by women are key factors to recover earthquake disaster affected areas, especially in the community business and food business sectors. In fact, all new businesses started in disaster affected areas in 2012. 40% were run by women entrepreneurs. Finally, since 1980, Japan's business startup rate has been less than its business closure rate. It is important to increase the startup rate and create innovative businesses.

This bar graph shows the 2010 entrepreneur activity in various countries. The lack of female entrepreneur activity in Japan is obvious. Japan's male entrepreneur activities is also among the lowest. You can see this in this bar. I have heard about many concerns and issues for women entrepreneurs. Some issues such as fundraising and channels and markets are also comparable with male entrepreneurs, however, others are more significant among women such as insufficient business experience and management knowledge, fewer opportunities to bring networks, either for personal exchange or for meeting other people in similar positions and finally, the issue of work/life balance.

As women typically bear more housework and family responsibilities in Japan, therefore

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most startups by women are low risk but of a little change to grow, as I see it, we need to create an environment that helps women take on projects that carry risk as well as strong growth potential. Let's take a look at the actual condition of female businesses. In 2014, women account for a mere 16% of startup entrepreneurs. In 1991, the figure stood out to about 12% so this shows some modest growth over the long term.

There had been decay around the time of financial crisis but the present rate is rising again as the economy begins to recover. As for corporate performance, the men's firms are likely to be in the black. 70% compared with 60% for the female firms. A long time series perspective, the profitability of women's firms overtakes that of men's firms after three years but there is a flipside to this trend. Firms run by women have a higher rate of closure, 19% compared to 15% for men. Ever since -- because failing women's companies tend to close quickly and those that remain are strong therefore we created a new support platform.

I will next introduce DBJ initiatives. The DBJ business plan competition focuses on women firms. Application from the four competitions to date number more than 1,500. The target of the competition is not only to find female businesses but also to create momentum for female businesses with innovation and growth potential. The grand prize is 10,000,000 Yen. It is about \$85,000 to support the winner's startup. Also, a mentoring and support program is beneficial. We help brush up business through mentoring for one year and provide support in terms of management skill, business matching with potential business partners, including DBJ clients, network building and opportunities to take part in DBJ-led training programs.

We facilitate external connection with experienced entrepreneurs and expert mentors. We also offer seminars in cooperation with a wide range of outside institutions such as accounting firms, the Japan Federation of Bar Associations and regional banks in each region. I will skip this slide. The target entrance of DBJ's competitions includes first time businesses and second starts. Why second starts? In Japan, many women become owners by taking over a family business. They take on new business challenges, the restructuring of their firm and other entrepreneur activities. In the competition, we evaluate innovation, business visibility and management capacity. After three stages of examination

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are complete, including documents, interviews and presentation, we announce the winner and finalist at the awards ceremony. Here, you can see our awards ceremony.

Mentoring, mentoring is extremely helpful for women; however, mentoring is quite difficult at times. Since we are dealing with different fields of business and stages of project development, mentoring is customized to address individual needs. Sometimes, the winners' wants and needs are different. In such a case, we will find a way to bridge the gap and sometimes, the winners and the mentor have bad chemistry. In such a case, we will switch to another mentor. Although mentoring is scheduled to last for a year, progress may not be as planned. Through my experience, we have learned that instead of aiming for exact numbers as, for example, a sudden increase in sales, it is better for the startups to establish or build up its business base during the mentoring period, a base that can be further developed independently after the mentoring period ends.

There has been a lot of trial and error but we are continuing to work with the competition winners to improve the quality of mentors and mentoring. We have noted certain characteristics and trends regarding women entrepreneurs in the program. Let's see how these have changed over the last four years. Numbers, the first competition attracted more than 600 people, the second has less than 200, the third about 300 and the fourth about 400. Applicants have been increasing steadily since the second competition.

Due to improving economic environments and the government series of growth strategies, women are finding many opportunities for startups and applications from regional entrepreneurs are increasing as well.

Regions, more than half came from the Kanto-Koshin region which includes Tokyo. The ration this year from the Tokyo metropolitan area is high in comparison with the scale of its economy which seems to make it a good place for entrepreneur activities, however, I think the outside regions offer more to female entrepreneurs. Regional business women have been prominent among the finalists selected each year. This is because regional women have easy access to local resources and have been active in addressing primary problems such as education, community planning, nursing or welfare.

Business fields, the range of business fields is broad. 94% involved lifestyle rated

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services. Others addressed education, medical care, ICT, fashion, food and agriculture and (inaudible). Interestingly, Japan's famous Monozukuri, which means "creating manufacturing" was underrepresented in comparison with the (inaudible) of service industries.

Age, although our applicants ranged in age from their 20s through their 70s, the greatest number were in their 30s and 40s, each account for one third of the total. The average age was 24. For Japanese women who have been forced out of the workplace due to marriage and child raising, starting a business is one means of reentering it.

Experience, DBJ's competition is the first competition of its kind for 76% of its entrants. Its attraction for them lies in its female focus which is a source of motivation and also in the many types of support provided to winners. Some features are common to all women led startups; however, we have seen some changes from year to year. One has been a rise in the social nature of the projects.

A growing number of incorporated IPs are entering the competitions. These entities want to move from charity work and become more independent and commercial. A second change, which is related to the first is that increasing advance of businesses addressing social issues in Japan, such as afterschool care programs, projected to raise global awareness of Japanese culture and a project that addresses the problem of unoccupied old houses under the decreasing population.

A third change in the growing diversity of entrepreneurs. Of the 60% who left work after having children, many are concerned about a lack of skills and other resources when starting businesses, however, in the past two years, a growing number of entrants have been embarking on startups after accumulating work experience that they can use to their advantage. There are also many women who have aimed at entrepreneurial activities, entrepreneurial careers since their student days. The diversity of background and careers amongst our applicants is quite remarkable.

Growth, we have seen a lot of improvement in the business plans submitted each year and many women are using the competitions and awards in their careers. I have learned a lot from the competition in connection with entrepreneurs, women entrepreneurs. I again realize the importance of their new businesses which are spread across the industries. These women-led businesses are addressing the challenges facing society and communities, building them opportunities. They use local

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resources and corporations and their commitment can be described as passionate concerning social aspects and a sense of mission.

Their ideas are outside the box and combine many services to create added value. On the other hand, I have found that business plans have large capacities for consideration due to lack of management resources, especially human resources. Finally, for the growth of new businesses, it is important to not simply provide funding but also support further networking, business matching and management knowhow. The corroboration for regional support, which includes local companies from different stages and local banks is vitally important. (inaudible) finances concerned, new methods are needed to help entrepreneurs who have neither individual credit nor a business history.

A Japanese practice of using personal guarantees has long inhibited business startups but there have been improvements following a notice by the financial service agencies. I also anticipate improvement in the scale and quality of Japan's venture capital which is currently a mere 1/10th the scale of that in the U.S. I see a need to promote crowd funding, a mechanism that connects new and growing companies and investors online to raise small amounts of funds from many investors.

I have also realized the importance of improving child care and nursing care in Japan. It is essential that we create women friendly work environments and change social behavior such as long work hours. I will not touch the DBJ financial project for advancement of women today but support for women is a project for the DBJ group as a whole. This concludes my presentation, thank you for your attendance. (Applause)

MS. SOLIS: Kurihara-San, thank you so much for this very insightful presentation and for the very important work that you do. I am afraid because of time constraints, I am just going to ask you just one question and then we'll move on to our panel of entrepreneurs but this question has to do with your own entrepreneurial spirit. As you noted, you launched this center to promote female-run businesses before Abenomeics, before the promotion of women's participation in the economy had become a priority issue for the Japanese government and also from your own background, as I noted in the introduction, you have been one of the first women to reach positions of leadership, of seniority in the DBJ, so if you can tell us a little bit about what motivated you to launch this center and how did you bring

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your colleagues at DBJ on board to embark on a brand new activity?

MS. KURIHARA: Yes, so the center, the WEC is a new business in the DBJ and I'm not the real entrepreneur but I'm like an entrepreneur because I launched the new center in DBJ. It is a very traditional of banks to provide long term loans to industries. The reason why I started this center is when I was in the U.S. I saw many different entrepreneur activities among U.S. and Japan and I found the ecosystem at Silicon Valley and when I went back to Japan, I wanted to contribute to improve the circumstances and environment of entrepreneurs which is poor in Japan in terms of education or funding or hiring people or including the attitude and in 2011, the (inaudible) Japan, there is little hope in Japan so I wanted to start something to renew Japan. I plan to start to support entrepreneurs and I presented this plan in DBJ and some board members were very supportive to my plans so I started a new business in DBJ.

MS. SOLIS: Okay, thank you so much, Kurihara-San so we're going to move now to the panel of female CEO and I will ask our panelists to please to come to this stage and I'm going to move to the podium to make the introductions so please join me in thanking Kurihara-San for her excellent presentation. (Applause)

MS. SOLIS: Was ranked 131 -- I'm sorry, the mic was not on before. 131 in the world and in addition to her business endeavors, Ms. Cole has given a lot back to her community. There are a couple of projects that particularly moved me. One is dismantling the cradle to prison pipeline and the other one is building a leadership pipeline for Asian women. She's also a co-founder of Pantheon of Women, a production and filming company dedicated to telling the stories of strong women so we can change how society perceives the role and the potential of women.

Then we're going to hear from Fujiyo Ishiguro, who is president and CEO of Netyear Group and after working at Brother Industries and Swarovski Japan, Ms. Ishiguro obtained an MBA from Stanford and founded a high tech specialty consulting firm in Silicon Valley where she has given advice to clients such as Yahoo and Netscape. The company she founded, Netyear Group was listed in the Modern section of the Tokyo Exchange in 2008. Mrs. Ishiguro has also provided advice to the Japanese government. She has participated in some very important panels. One that caught my eye was called

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The Future to Choose and in 2014, the Japan times named Ms. Fujiyo one of the 100 next generation CEOs in Asia

And we're also going to hear from Sachiko Kuno, who is president and CEO of the S&R Foundation. She obtained a PhD in biochemical engineering from Kyoto University and Dr. Kuno, working with Dr. Ueno founded R-tech Ueno, a company that now holds 900 patents and has released breakthrough medicines. Dr. Kuno and Dr. Ueno launched the Sucampo Group here in Bethesda, Maryland and I believe since 2012, Dr. Kuno has been in charge of the S&R foundation, whose mission is to promote talented individuals working in science, the arts, social entrepreneurship. She is quite a presence here in D.C., she runs, for example, the Healthin House which is an incubator and accelerator.

Many people have benefited from the work and last year, Forbes Japan named Dr. Kuno one of the world's 100 most powerful women. So with that, I'll ask Donna to please get us started.

MS. COLE: Oh great, so I was given some questions and so part of them were what were some of the critical junctions I faced in starting my own business. Some of the lessons I learned that I would share with other women business owners or other entrepreneurs. In our experience with doing business with Japanese companies, where they differ or are the same as U.S. and then a few tidbits of what I would say to young women who want to start their own business or mature women who want to start their own business so in terms of critical junction for me was I was young when I started, 27, I was divorced, I had a daughter, I did not have a chemical degree which would have probably been very very helpful to get me started quicker but I had customer who asked me to start my own business and I think mentors and sponsors are so important and I had a mentor who said: "You can do it. Just go do it."

And I think for many of us, we just need somebody to believe in us and say go do it and just go and do it. I think the other thing was hiring employees. One thing is hiring the right employees for the right positions, right? So we continued to move employees and changed their titles, their job descriptions to fit their strengths and I think that took me a while to understand that.

To also give people training that wasn't just about job training but was also about human effectiveness training. How can you take what you learned to use not only on the job but at home and in the community to improve your life and those of others. Other critical junctures is asking questions. It is

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so important to continue to ask questions because if you don't ask those questions, you don't know what the needs are of your customer, don't know how to service them properly and from that was one of our largest contracts we ever got was a barge and a half of methanol drums going to Egypt and the question I asked was when does the sheep need to arrive in Cairo?

When at the time there was a shortage of methanol around the world and so all of the large distributors, the producers couldn't meet the needs of the customer and all I did was ask that one question, when do you need it? What's the date? And it was six weeks out, long enough for a company to produce the material for me to get the barge in, to drum it, get it on the dock and off to the customers so we were able to land that contract and I don't think we would have had I not asked those questions so those are some of my lessons learned along the way.

Also along the way, you were talking about earlier, the need for mentors in business and how they fail along the way. They may start out good and then fail later and I think the failure rate is because they don't do Swan analysis and be able to use that to drive their business strategically, right?

We've changed our business model probably five times since we started 36 years ago and had I not done that, I think we would be out of business as well so that's important that you understand the trends that are happening, how is that affecting your business? How is that affecting your customers? Your suppliers? So how will you position yourself in the future so that you'll be successful? Doing business with the Japanese companies has been very interesting. Yeah, as they are hip in anime and manga, they are steeped in culture and tradition so what we found is, what was it 1979? A large trading company would not do a joint venture with us and the reason why was because I was a woman but more importantly, I was a Japanese-American woman and they told me they weren't going to do business with us because of that.

And probably because of that was the reason why I started my own business so I have to look back and say maybe that was a good thing, right? Because I might be in business in a joint venture with a Japanese company today but that taught me something to about how forward but yet how steeped in tradition they are in terms of doing business with women so I'm glad to see changes on the horizon.

We do business with Japanese companies and I have to tell you, it's a long sell but it's

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also a very long relationship and they reward you with more business if you do the right things at the right time and the right way and you do have to learn how to do business their way and for the most part, I would have to say it's a good way because they all are about managing risk and how do you make sure that you're being competitive, how do you make sure that you're taking them to the next level in terms of competitiveness and technology so that's been very good for us.

In terms of if you were to start your own business today, I think it's a wonderful opportunity because there is so much activity out there in terms of technology, service, the cost of things to start a business is much cheaper. It's acceptable to work out of your home. During my days, you couldn't do that. You had to have iron in the ground, right, for them to even talk to you. Outsourcing was not popular. Now you can outsource and it's okay so I would have to say there's a lot of reasons why women should start their own business and will be able to be successful because they're flexible, they're innovative, they're creative and they're collaborative but most importantly I think they do want to be compassionate about what they do in terms of being good, ethical, caring and compassionate leaders and as I said earlier, we, in our conversations privately that we just need to make sure that we put ethical, caring and compassionate leaders at decision tables to change the world and make it a better place so thank you.

MS. SOLIS: Thank you so much, that was terrific. Shiguro-San? The mic is following you.

MS. SHIGURO: Thank you for the invitation. I am very honored to be here. All right, starting from (inaudible). When I graduated from University in Japan, this is a picture of the president's office. All the job postings literally stated "male only." That's 100% so it's obviously a violation of constitutional law but no one cared but fortunately a few years after, big corporations started hiring four year college female students and I was hired by Brother Industries, that's my hometown and it is really fortunate that I found my favorite job, that is working with engineers.

Japanese engineers are just excellent. They are not socialites but they create great things; I love to work with them. So since then, that's my career. Also, I started the first women's rugby football team, by the way. I faced another challenge when I was 30 years old. I gave a (inaudible) for my

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son. I could not find any daycare center opening after 6:00pm so instead of pursuing dual work as a mother and a manager of a European company I just gave up Japan and came to the United States to get the MBA degree from Stanford. Stanford and Silicon Valley totally changed my insight. Because of the gender discrimination in Japan, before coming to Stanford, I was thinking I just want equally opportunity that other male students have, I want to be a manager of a big corporation.

But after I came to U.S., Stanford and Silicon Valley they just love entrepreneurs. Nine out of ten students want to startup. They don't want to work for companies or big corporations. Everyone in Silicon Valley, they love entrepreneurs. For example, I went to a drugstore and people were talking to me about what I am doing. I am telling them that I have a very small company of my own and people talk about: "Wow, this woman has a company." They just love it. I was really happy to start up my own company so my son was also very happy. I graduated with my son and then somehow, I participated in the management buyout for Netyear Group in the U.S. and then I founded Netyear Group in Japan. I was one of very few women to go to IP in the IT industry.

I was also awarded to be woman of the year by Nike in 2009 so that was my career and the (inaudible) my argument not to put a limit for yourself. This is the ratio of male to female college students. Male students are more than females but it's just a little. It's not bad but it's also that -- if it's going to the female ration by department, look at the engineering department. The woman ration is very very little. It's a (inaudible) ratio by department. It's the same in the engineering; the woman ration is very very little.

I was intimidated to -- I really love mathematics when I was in high school but when I chose my major, I didn't take it because all the classes for the science classes and the engineering department, that's all boys club. I was very intimidated. I did not go to the department of engineering. Instead I went to college and my major was economics so the same thing happened for the entrepreneur. This is the number of companies having a female CEO. That includes small, medium companies in SoHo but I think that's not really bad.

One tenth of the companies have female CEO but if you go to -- if you look at the number of the public companies having a female CEO, it's less than 1%. In terms of directors, the ratio for the

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public company, in Japan it's only 1. 1%. There are tons of issues to challenge. It's also the tons of hurdles for female entrepreneurs, however, I think same as choosing your major, women CEOs -- women founders can too choose what they like, what they can do. I was also invited to be a speaker for the female entrepreneurship conference and seminars. I observed most of the female CEO founders tend to choose very woman-centric businesses or let's say HR, marketing, the textile, general merchandise, that is what they can do not what they want to.

All the boys choose what they want to. They want to be big but females tend to choose some small business. I think the biggest hurdle we have is a woman by herself, they put a limit by herself. I think -- that's my observation. That's my argument to some limit of hurdles that women set up. Finally, I joined an organization called EO last year. It has over 200,000 members in the world. You know, this is sort of my criticism to myself. I never liked networking. I never liked to party but however because I believe in myself, I believe in my business skill, I believe in my business sense is okay, excellent but, however, after joining this organization, it has -- every month we have a for and we share the experience and understand what other people are doing. In the Tokyo chapter, they have over 200 members. In the forum, they have an IP forum, they have post-IP forums where we can share business and personal experience. I guess networking with a similar environment is very important to growth of business. I would say that if I joined this organization, I could go to IPO much earlier so I think that helping each other is very important, thank you.

MS. SOLIS: Thank you so much. (Applause)

MS. SOLIS: Dr. Kuno, if you'd like to?

MS. KUNO: Yeah, thank you so much, Mireya-San and thank you so much for coming. My name is Sachiko Kuno. I've lived in Washington D.C. now over 20 years and I moved from Japan to D.C. to establish Sucampo Pharmaceuticals, which is a biopharmaceutical company. As Mireya introduced me kindly, I am a CEO/entrepreneur and I co-founded three biotech companies. One is in Japan and two are in the United States and two of those went public already and the third one is the newer company and is focusing on vaccine treatments and creating a new type of vaccine for infectious diseases and cancer treatment.

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So my background is science and I was educated in Japan at Kyoto University as a chemist. I went to the technology and engineering department and as you said, that's when I realized I was only one of six women among thousands in the technology and engineer department of the Kyoto University but looking back to me and to my life, I was born in Japan less than 10 years after the second world war ended and I was born in a small town in the countryside so my parents, they are college graduates but they did not have quite enough time and opportunity to run at university because of the war so they are very much like -- I have two siblings, my sister and my younger brother and they wanted us to do as much as possible what we liked to do so I am very much lucky because my parents were pushing me to go to a university like Kyoto University and to get into the engineering and technology department so I am quite lucky and I had a very good education in Japan.

And for example, I was a doctor -- of course a student at Kyoto and my professor had no experience to teach the women. So he said that he didn't think he could be the only good teacher or not so he sent me to Munich, Germany so I can be with the female professors and female students so I can feel what kind of life I can see for the future so I'm very much lucky, however, I like to share such an experience together with the younger generation people so that what I am doing now in Washington D.C. is through the foundation is to create some sort of ecosystem for the young generation people to share time and space together with us and to think about how to create new ideas and to change for the better so that's the kind of activity that I am doing now is to select eight people worldwide so normally I receive 200 or 250 applications from worldwide and to be selected to be their fellow incubator.

So the problem, if you think about it, what kind of incubator I am running. We are running a social impact incubator but the amazing thing is that we are in the United States because many people can utilize a business model from the economic side to create a new idea to be reaching the final success so we are focusing on social impact, however, 80% of the people created for profit organizations so that we can be more sustainable as a powerful organization which can be changing the world into a better world so I think that what I am doing is based upon the science and based upon my experience, it should (inaudible) the two companies in the business side, however, my final goal is always how to create the world, a better world and there is a point and what are we doing so they are getting together with you and

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getting together everyone in the Washington D.C. or Silicon Valley or Tokyo or the worldwide.

I think, of course, we can utilize economic power and business power because it is quite a powerful cure to try to change the world, however, I think that to me the final thought for entrepreneurs or business people or scientists or the research -- I think that I would like to see what would be the final goal for the society and the community and getting together and how can we reach the final goal together so I think the close coordination is quite important for us to think about so I'd like to have your thoughts, from the business side. I would like to have your thoughts from the public side, the social sector side. I mean getting together to create a new type of momentum or a new type of movement to change the world in the better so that is what I would like to share with you so to be the entrepreneur, that is fun and easy to do because you can be the boss every time and you can (inaudible) from yourself so I think my experience has showed me -- because if you want to do some sort of new business, it should be entrepreneurial or creating a startup, that might be easy, however, if we want to go to the final goal, that is quite a difficult issue.

There are hurdles; however, as long as you see where you're going, I think that can be overcome final so I really would like to share that feeling with young people and people who are now thinking to create startups, thank you.

MS. SOLIS: Thank you so much. It has been a really inspiring set of remarks from everybody and I want to bring all of you in and have an active conversation with our panelists because this is such a unique opportunity. Before I do that, let me just ask a couple of questions. I promise I will be brief because you have been very patient and I want to hear your views. I would like to ask all the panelists if they would like to comment on the following: when I introduced the event, I highlighted disadvantages, if you will, of being a female entrepreneur.

I want to turn things around and ask you in which ways do you think that being a woman is an asset. Does it provide with a unique insight? With a unique way of tackling an issue? Does it open opportunities for making connections? In which ways should we think about gender as an asset and not a disadvantage? Anybody that would like to comment on this.

MS. COLE: You know, I think women are more collaborative and they can also -- are

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more -- they can recognize where there is a need quickly and how can we solve that problem. Men like to quickly solve problems, right. If you tell them what's going on in your life, they want to solve it. When you just want them to listen, you just need to vent sometimes but I think women do have an opportunity to take it to the next level, if you will and they are very innovative and flexible so I think on that part, I think women will excel, and do, actually and it is an advantage.

MS. SOLIS: Excellent.

MS. ISHIGURO: (off mic)

MS. SOLIS: I'm sorry Fujiyo-San, your mic got disconnected. We're almost there. Some mic challenges but they will be solved very quickly.

MS. ISHIGURO: So, I guess my management style, I never thought that was different from male management but however, recently I recognized that I listen to people, especially people on the job site then I tend to change my decision so I think changing the decision is not bad. Just listening to people and understanding what's going and I think this capability, women have more of this type of capability and men are more centralized, very top down, that is also an asset in the history but we never challenge this management style.

I think listening to people and the diversified people and kind of collaborate the opinion and the final -- making a final decision is, I guess a woman's asset.

MS. SOLIS: Thank you very much.

MS. KUNO: I think that being a woman, I think there are many good things in being a woman, as an entrepreneur or to be in a decision-making position and of course collaboration and listening to the people. To me, to start a company it is easier to have access to many talented women because many talented women come to me to offer working together so from the beginning, our company was very small, just two or three people and one of the first employees I had, 20 years ago, she was hired as a secretary, however, she is so talented so we decided to promote her to manager within six month and the next year, she would be handling one of the projects and something like that. She went to VP position finally at Sucampo Pharmaceutical when Sucampo went public and her final title was the VP of the business development and then after Sucampo went public, she decided to come back to study the

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law and she went to part time law school for four years and she became a lawyer finally.

So I think there are many talented -- I saw the many talented women by having the startup company so that's amazing to see to me and the next thing is that having all these talented people, I think a talented male can come and join us so the next stage for the startup company is to have more women that are talented that will attract more males as well to join in creating a new company.

Another thing, a little tricky thing is -- because when I was in a company as a CEO, normally, the idea is that the expectation side is not so high because I am a woman so I am trying to use the circumstances to show and address an overachievement strategy, so that is one of the good things about being a woman.

MS. SOLIS: Thank you so much. So one last question, I promise and it has to do with the notion of women as agents of change because I think that obviously, women want to level the playing field, equal pay for equal work, for example and that's a very important part of the agenda but I think, it quite frankly goes beyond that and I think when women are trying to change the way in which companies run, the way in which they deal with human resources and so forth, they may actually bring about changes that enrich the lives of everyone, not just women but also men.

I am talking about flexible working practices, I am talking about cutting back on unnecessary work time and so forth. So all of you have already touched on this but it's not just about how you launched your businesses, the entrepreneurial part but now you all run very successful companies so I was wondering, what difference does it make to your employees to have a female CEO? Do you think you have a different -- you already touched on some of these issues but for example, diversity programs, do you do these differently perhaps than more established male-oriented companies? In which ways do you think there is this power of role models or very concrete strategies that benefit your employees because you bring a different eye, a different intuition in how you run the company?

MS. COLE: Well I think for me, we feed our employees, right, and so they get all kinds of food but more importantly, often I fix food that I can on those days so they get another part of me that they probably wouldn't have otherwise but not only that but feeding people is just something about yourself and home and life and giving to them and myself to them but I think in also making time for them.

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We have a policy in terms of venting so you can come in and you can vent but you have to tell me in advance that you just want to come in and vent.

You don't want any advice, you don't want me to do anything, just listen and then there's another one where you say: "I do want some advice" and so I'll give them advice or they have to say: "I want to vent but I need you to take some action" so at least that way there is an expectation set for them and me and a better communication style so I think that's important. The thing about going through those ups and down in business and having to let people go, there was a point in time where we had a decision to make. How many people do we let go, who do we let go? And I actually called a meeting and said: "Look, we can let three people go in the company or we can work as a team and we can take x days off per month with no pay and work on this as a team" and I said: "I am going to let you vote" so of course, they all voted "we will take days off with no pay" and so that allowed us to cut our budget by 5%, right, without having to let anybody go. Interesting enough, after it was over with and I said: "Okay, everybody's got to come back to work now" they were like: "Well we like that one day off or two days off without pay" so I think just looking at different things, we can change the environment inside the company as well as outside.

So in terms of outside, Valentine's Day is coming up, right? And also random acts of kindness so I've decided to let everybody off for the day and to go out and do random acts of kindness. Now the caveat is that you have to come back and tell us what you did. Going to the beach and laying out there by yourself is not a random act of kindness. We want you to go help somebody else and hopefully that would have a ripple effect, right, and they would go out and do something nice too, even if it's just smiling at other people who are sad, right?

MS. SOLIS: Thank you very much. Any other comments?

MS. ISHIGURO: I don't know if this is my personality or a female personality but I guess I don't have any title. People call me first name, Fujiyo, and my organization has a corporate structure, however, the culture is really flat. People come in and call me Fujiyo and ask how I am doing and other things. Especially female employees, if they have some problem, some work time day care type of things, just normal stuff coming up they will just say: "I have a problem, Fujiyo" and I am very flat and

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easy to listen to people if they have some problem which maybe male top management could not reach. That has created a very flexible organization culture so I think that is maybe my personality or pretty much something that female top management can create, this culture.

MS. SOLIS: So now I am going to open up to the public. We're going to take two questions at a time please because time is short. There are going to be mics going around so if you want to raise your hand and when the mic comes to you, you can identify please, yourself and then ask a brief questions so I see a hand over there and then -- Abigail.

MS. WONG: Hi, my name is Tracy Wong from CMI International. Thank you very much for your very inspiring talks and your career histories. You talked about culture earlier and I was just wondering as entrepreneurs and CEOs, what kind of specific policies do you see implemented that you probably think other companies could perhaps do that would bring more entrepreneurs and more employee retainment going forward, sort of more on the policy end of things for your own companies? Thank you.

MS. SOLIS: Thank you and next, Abigail and then we'll ask for comments.

UNIDENTIFIED SPEAKER: Thank you -- is it on? Thank you for this excellent panel. My questions goes back to the title of potential female entrepreneurs in Japan and I've seen many excellent entrepreneurs. My questions is how are we integrating their excellence in activities into the broader Japanese society? How important do you think, for example, having women on boards is? I am curious whether any of you are on Japanese boards and I mention this simply because Prime Minister Abe's part of womenomics made a big push to have women board members and I think that his target is slowing and I'm really curious about that, thank you.

MS. SOLIS: Thank you very much. We'll take those two questions. Any comments on those questions?

MS. COLE: I can take the first one. The second one I can't take but the first one about policies, you have to have policies, one that you're meeting federal government regulations, secondly is what else can you do above and beyond because obviously we're in competition for good employees, right? Globally as well as locally so what can we offer that somebody else might feel is a benefit that

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they'd want to come and stay and work with us because as you know today, there are a lot of people who continue to change jobs every two to three years and as an employer, that's pretty frightening because you invest so much in an employee and you want to keep them and retain them as much as possible so that communication is so important as to what's the next step for you, how do we train you, how do we empower you to do other things? And that is all about policies and guidelines so empowering people with guidelines, and I think, as you go, you develop more and more policies because somebody hasn't done anything totally wrong until something happens and you go: "Ooh, we need a policy for that" and a policy for how much concession can you make in a deal, right?

You've got a contract, you're rolling down the road, things look good and then all of a sudden something happens and you're looking at your numbers and you're thinking: "Jeez, I thought we were making 15% and we're only making 10%." Or in some cases there may be an individual transaction where you're actually paying the customer to do business with you and so you have to figure out what happened and then when you start asking all the questions, you find out somebody made a decision without asking other people and not realizing the financial impact to the company so I think that's when good policies get put into place but we all think everybody has good common sense and will do the right thing but to also come back and talk to the team about what's going on, instead of just feeling you're in control of this account and you know everything about the account but you don't know how it affects the rest of the company.

MS. SOLIS: Very good.

MS. KUNO: Yeah, I think for the first question, what I am (inaudible) always to start companies and grow them to 100 people, 150 people so (inaudible) however, what I am doing always is to share the (inaudible) and the employees and having a new idea to create a new project and together and giving the responsibility and to empower the people who created the new idea so that is quite important for me to share with the partners.

MS. ISHIGURO: Abenomics has done a lot of things, especially for women because he really promoted women. I would say mainly because Japan has faced a challenge in the decreasing population. Over the -- maybe in 50 years, Japan's population will be at two thirds which means our

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economic activity, the size of the economy will be two thirds so the easiest way to combat this is to have women come back to the labor force and labor market and also put a lot more management to corporations, however, at this moment, the things that the big corporation versus small companies or startups, the culture and also the implementation is very different.

I don't really see discrimination in a small company, medium sized company or startups. Women are very competitive. For example, our company, women are more competitive, kind of lead the projects. I sometimes ask women, female employees, can you talk to the males more gently but however, big corporations are very different. I've heard a lot of things from employees of big corporations, a lot of gender discrimination still is very high so that's very different and after Abe took to office, sometimes big corporation management came to listen to me. They come to my office. How they can implement this policy. I advise them how to do it and that's also the kind of change, the environment change, the culture of big corporations that dominates the Japanese economy.

MS. SOLIS: Excellent, thank you so much. So, next round of questions, I'll take two at a time. I see a hand here and these two hands across from each other. You went past them.

MS. JANANI: Hi, my name is Mariam Janani, from Dalberg Global Development Advisors and thank you again for all your remarks. I am particularly interested in diversity in tech. Tech provides a lot of growth within ICT or within other sectors as well and there has been a lot discussion in Silicon Valley around diversity in tech, particularly women's participation and you mentioned that you see problems starting within engineering or computer science where there's not a lot of women going into those fields within education and so I'm wondering, are there any other difficulties that women encounter, particularly in the tech industry in Japan? Thank you.

MS. SOLIS: Thank you and you can pass the mic I think.

MR. FITZGERALD: Yes, Dave Fitzgerald, retired state department. I just a broad sort of philosophical question about failure which both Japanese men and women face and failure in business versus failure in a personal sense. Traditionally, there's been only one sense of failure and it's both business and personal. I'm wondering, in the last 20 years perhaps, the degree to which there is a change in the thinking about failure and the willingness and ability to see failure in business as something

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not necessarily related to a personal defect in any way.

MS. SOLIS: Great, tech and failure, who would like to address those questions. Women in high tech maybe, Fujiyo-San?

MS. ISHIGURO: I think promoting a woman in a particular industry needs quantity and equality. Both are likely missing at this moment. For example, I was talking about a major, technology major in terms of numbers, I think very few, few percent of women make up the ratio of the department. It's a very challenging thing. How can we qualify the person in the certain limited number; that is my observation. How to overcome it? Just encourage. If you like mathematics, just go to the engineering department.

MS. KUNO: Another point I'd like to point out is from the business side, there is still some tendency to invest more to the male, even in this country or other countries too so what I am thinking now to empower the young female, I think we need to create good investors and to invest the money and also the skill or whatever to the good talented tech guys and to create a good cycle and grow the company and grow personally and come back to the investor or whatever. So I think that we need to have a good cycle for the women so they have a good investor and that is another angle that we need to think about.

MS. SOLIS: Thank you very much.

UNIDENTIFIED SPEAKER: Hello, thank you. It's a wonderful panel and I enjoyed listening to all the members but let me just play the role of devil's advocate here and I fully endorse womenomics 2.0 and the entrepreneurship promotion is just a wonderful thing and I think it is something that, in Japan, we have to put an emphasis on but yet the two things in the remarks that worry me: one is that age 42 is the average age of starting entrepreneurship and second is closure rate is very high and those are two things and so I am just a bit worried that sometimes the entrepreneurship is considered to be just another form of employment in Japan.

It is because you're not able to be employed in a regular -- as a company employee so why don't you just start an entrepreneurship? I think that's too easy to think in that way. Maybe for the entrepreneurship work/life balance, it will be even more difficult than just being employed at the company

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so I think that the entrepreneurship education really starts earlier rather than starting at age 42, maybe at college days and maybe they have some ideas and those things that you really want to do for your life are very difficult to think about, starting your own company and going through all the difficulties to be an entrepreneur so I just wonder what would be needed in order to really nurture entrepreneurs, successful entrepreneurs and as you said, after many years, the female entrepreneurs are more profitable than male entrepreneurs but you have to endure and sustain so what we should do, so that is what I would like you to address and think about.

MS. SOLIS: Thank you very much for that very insightful question. So we're almost out of time so last set of remarks to address (inaudible) question also the question about failure that we did not get to so Fujiyo-San, I think you had a comment on that.

MS. ISHIGURO: It is very important. I live in Silicon Valley and in Silicon Valley, failure is learning. It is really encouraged for us to do it so that's why startups can grow because we challenge, and if we fail and trial and error to run a lot of things but however, failure in Japan, it's just the end of your life so that has to be changed but I think the reason why in Silicon Valley, startups grow because big corporations purchase the products and service from startups.

In Japan, no big corporation wants to purchase any service, product, from startups because the person in charge of purchasing is afraid of failure. People in Japan, management, do not want to be the same as other companies. If they purchase from the big corporation as other companies do, no one will like them. If the person wants to challenge to purchase from startups if they fail, they would be hired so that's a notion not only for the startup but also the big corporations. That has to be changed.

In Silicon Valley, the reason why they purchase from startups is because they want to be more productive so I guess the kind of lure of a big corporation has to be changed to be more productive than the person in charge of procurement or purchasing could challenge to higher, more technical advanced products. I think that's one of the methods to change all of Japan.

MS. SOLIS: Thank you so much. So I believe we're out of time but I just want to thank everybody. For me it's been a privilege to share the stage with these remarkable women so please join

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me in thanking them for making their contribution. (Applause)

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