

THE TOP TEN

most influential Japanese in Europe

by Susan Fenton

The recent decision by Toyota Motor Company of Japan to set up a £600m manufacturing operation in Britain reflects the increasing importance Japanese corporations are now attaching to Europe.

The activities of those already established here are as diverse as the personalities who run them. Taking ten managers from different areas of Japanese business, and looking at their operations in Europe, highlights the variety of people and interests that Europe attracts from Japan.

Kenzo, for instance, the artistic entrepreneur who built up his own fashion empire in Paris has a widely different style to Nobuo Nakazawa, a board member of corporate giant Nomura Securities.

Few correspond to the image of "dobunesmi", the conservatively-dressed company man with the cautious approach whose promotion depends more on his age than his ability. Mr Shoichi Saba, 70, director of ICI is a very successful Japanese

Toshiaki Tsuchiya, 61, was responsible for building Nissan's biggest car plant, the Tochigi Plant in Japan before being posted to England in 1984 to set up the first Japanese car production operation in Europe.

Nissan Motor Manufacturing UK began operating in 1986 when 56,000 of the Nissan Bluebird mod-

businessman of the old school. In sharp contrast is Mr Yosuke Masuda of Kumagai Gumi whose international outlook has ensured his rise, at 42, to one of the youngest Japanese directors in Europe.

There are now serious fears in Japanese business circles that the creation of the EC single market in 1992 will reduce the Community's reliance on trade with its non-European partners. More firms are expected to follow Toyota in the next few years and localise their activities to enhance European distribution of their products.

Among firms that have led Japan to Europe already, many have chosen the UK as their preferred location. West Germany ranks a close second. In future, however, deregulation of the French financial market and liberalisation of the Spanish market are set to make Japanese investment more widespread across the continent. Which means more influential members of Japanese industry and finance based in Europe.

TOSHIAKI TSUCHIYA
Managing Director
Nissan (UK) Limited



els were produced in the first year. Production levels are expected to reach 100,000 a year by 1991 with 60 per cent for export to continental Europe.

By producing European cars, Japanese auto makers can exceed the restraints of an agreed quota which currently limits them to a ten per cent share of the European car

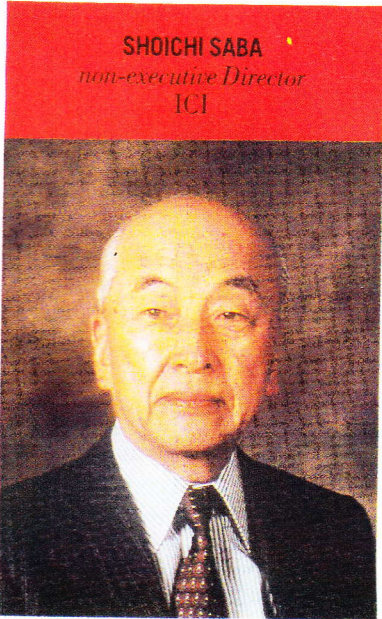


NOBUO NAKAZAWA
President and Managing Director
Nomura International Ltd

the other major European countries where it has a dominant position in the bond and equity markets.

Nomura, like other Japanese securities houses, is now moving to take full advantage of the unique opportunities offered by European legislation which permits them to engage in banking. Banking and securities activities are separated by law in both Japan and the US which means multi-product organisations like Nomura are now looking to Europe as the key centre from which to develop their business.

Nomura already has banking licences for the UK, the Netherlands and Switzerland and is expected to add to this in future.



SHOICHI SABA
non-executive Director
ICI

set. It is estimated that with both parts from Japan and locally produced cars on sale, the Japanese will take 20 per cent of the market by 1992.

In Spain Nissan has a second European manufacturing plant producing 80,000 commercial vehicles a year. That is half of all commercial vehicles sold in Spain.

As well as building cars in Europe, Nissan are now moving their research and development activities overseas. Last year they established a European Technology Centre at a plant near Sunderland to do research and trim design for new models.

Nobuo Nakazawa, 44, was first posted to Europe in 1978 when he spent four years as the general manager of Nomura Switzerland in Geneva. He is now a director of the giant Nomura Securities, which, with a market capitalisation of US \$60bn, is the world's biggest financial company. Since last year Mr Nakazawa has been based in London as head of Nomura International, the company's European subsidiary.

Its major European business is carried out in London where it is a member of the Stock Exchange and a leading player in the Eurobond market. Nomura has branches in all

Shoichi Saba, 70, former president and now adviser to the Japanese electronics firm Toshiba is also a non-executive director of the British chemicals giant, ICI.

He is one of the first of top level Japanese executives increasingly being sought by major European companies to advise them as they develop a strategy to take advantage of the new opportunities offered by the Japanese market.

Mr Saba is a leading figure in Japanese industry with wide-ranging contacts. ICI's activities in Japan have grown considerably since he joined the board in 1985 ▶

and last year listed its shares on the Tokyo Stock Exchange.

A key factor of ICI's penetration of the Japanese market has been the marketing of pharmaceutical and agrochemical products developed specifically for the Japanese. The company is now starting up a manufacturing plant at Tamatsukuri and a research centre at Tsukuba near Tokyo.

YOJI OKABE

Managing Director
Sumitomo Bank Ltd

Yoji Okabe, 54, is a director of Japan's largest bank, Sumitomo. Since 1984 he has been Managing Director of their London branch supervising business in Europe, the Middle East and Africa. This is his second time working in Britain as he previously spent four years in London as head of the bank's UK merchant banking arm.

Sumitomo has branches throughout Europe but London is the most profitable centre for its activities which focus on government loans, treasury services and capital market transactions.

Corporate banking is Sumitomo's other major business and where it leads its main Japanese competitors. Its strength is that it has been in Europe longer than the other Japanese banks having established an office in London 70 years ago it first entered into UK corporate banking over 15 years ago.

As the only source of Japanese finance at that time it was able to build up a strong customer base which it has maintained. It is only in the last five years that the other Japanese banks have moved in to challenge that position.

Europe now counts for 20 per cent of Sumitomo's business worldwide but it plans to bring more resources here in future. Its managers see the integration of the single market as a positive step which will improve the EC economies and create further business opportunities between Europe and Japan.

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AKIHIKO TEMBO

Managing Director
Idemitsu International (Europe) Plc

Akihiko Tembo, 49, European head of Idemitsu Kosan Co Ltd, the oil company has been based in London since last Summer. He is a former manager of Idemitsu's Denver, Colorado office and its China project office.

The creation of a European subsidiary in 1987, Idemitsu International, marked the expansion of the company's European business. This concentrates on the trade of crude oil, petroleum products, LPG and lubricant oils as well as gathering information on international financing and energy.

Idemitsu as one of the few independent oil companies in Japan has had to develop an aggressive business strategy to survive competition from its larger rivals. Increasingly it is looking to Europe, and the opportunities in North Sea exploration in particular.

Although the Japanese lack the experience to crack a market dominated by the major European and American oil firms, Idemitsu has entered into a number of joint ventures with European companies. They are now starting to expand their crude oil exploration projects

in Norway and seek further development of their North Sea business.

KENZO TAKADA
Fashion Designer



Kenzo Takada, 50, the fashion designer is one of the few Japanese businessmen who have set up residence permanently in Europe. He has lived in Paris for 23 years where he started off as an apprentice designer. He went on to build up a worldwide business, Kenzo, designing pret a porter clothes for men and women. Today he has boutiques in ten European cities, mostly in France, as well as in New York and Tokyo. His four fashion shows each year are one of the highlights of the Paris collections.

Kenzo says he could never have expressed himself anywhere but Paris. "In Paris, every wall, every sky and every passer-by helps me to make my designs." His attitude is typical of a number of Japanese designers who find in Europe a freer environment in which to develop their creativity and where their simple, uncluttered styles are widely appreciated by fashion conscious Europeans.

In the last two years Kenzo has moved into the design of bed linen, bathwear and children's clothes. Followed last year by the launch of his perfume "Kenzo".



KOJU SUZUKI
Managing Director
 Panasonic Europe Ltd



NAOHICO KUMAGAI
Chairman & Managing Director
 Mitsui & Co (Europe) Ltd

seeking diversification in Europe.

By developing closer links with European companies they are supporting the export of European goods to Japan, in particular foodstuffs, drink and luxury cars with West Germany being the most successful European exporter. They are also aiming at securing the export of new high technology and artificial intelligence computer software to Japan.

Mitsui's more recent expansion has been directed towards financial services and real estate including the marketing of holiday homes on the Spanish coast.

OSAMU GOTO
Project Leader
 Honda Formula-1

Osamu Goto, 40, is head of Honda's Formula One Grand Prix racing team who this season are supplying engines to the MacLaren cars. The Honda-Marlboro-MacLaren drivers are world champion Ayrton Senna and former champion Alain Prost.

With ten of the sixteen Grand Prix ►

In preparation for the integration of the EC single market, Panasonic are increasing the local content of their European products. 25 per cent of their sales in Europe now emanate from local production, a figure they aim to double by 1992.

Naohiko Kumagai, 62, is head of the trading house Mitsui & Co Europe and an executive vice president of its holding company Mitsui & Co in Japan. He has wide experience of Europe having served in Paris, Lisbon and Amsterdam since joining the company in 1950.

Mitsui is one of Japan's six dominant trading houses whose European activities were originally concentrated on the promotion and distribution of exports from Japan. In recent years however their business has declined as the big Japanese manufacturers have created their own trading company subsidiaries. Now Mitsui and their competitors are

races staged in Europe, Mr Goto who is responsible for the technical operation of Honda-MacLaren's performances, spends much of the year travelling to the races and test rounds from Honda's UK base. The fifteen-strong Honda Formula One team is based in Slough, near London, the UK arm of Honda Motor Company's research and development establishment Wako in Japan.

Formerly chief engineer, Mr Goto is now in his second year as project leader of Honda who have won the last three consecutive world championships.

Honda also personally sponsor Satoru Nakajima, the British based Japanese Grand Prix driver for Lotus who until last year used Honda engines.

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YOSUKE MASUDA
Managing Director
Kumagai Gumi UK Ltd

Yosuke Masuda, 42, has the distinction of being a qualified barrister and engineer. In three years as Managing Director of Kumagai Gumi UK he has made it the leading Japanese construction company in Europe. Mr Masuda was formerly assistant project manager on the Hong Kong mass transit railway and last year became associate director of Kumagai Gumi's main board.

Mainly concentrated on the UK, the company's European business centres on property investment and development as well as the management of construction projects. The increased presence of Japanese financial institutions in the City of London since liberalisation of the UK financial market marked by the "Big Bang" two years ago has provided major business opportunities for Japanese construction firms. Kumagai are currently involved in the development of Nomura Securities' new office site, one of the City's biggest construction projects.

Strength over their Japanese competitors however is their foothold in the UK domestic property market. A difficult market for foreign firms to penetrate, Kumagai are participating in public service projects, including a £100m office and leisure scheme in central Glasgow now going ahead, as a base from which to expand into further profitable private sector works in the long term.

