



It has been a year since the Great East Japan Earthquake (March 11, 2011). Though recovery has been quite uneven, the restoration of corporate supply was very quick. Many Japanese companies have superior technology and creativity, and many can contribute to solving global energy issues. If we view recovery from the earthquake and nuclear accident as a chance to create a "New Japan", we will be able to revive a strong Japanese economy.



Robert Alan Feldman, Ph.D.

Morgan Stanley MUFG Securities Co., Ltd.
Managing Director

Strengthening Japanese Corporations and Macro-economy through Globalization and Efficiency

Quick Recovery of Corporate Activities

When considering how much Japan has recovered from the earthquake, I suggest looking at the standard deviation instead of the average. This is because recovery has been uneven. In some areas, recovery was incredibly fast. For example, some paper manufacturers that were completely flooded have made a 100% recovery, and automotive part manufacturers have restored production. Those were both surprisingly fast. On the other hand, when viewing the living conditions of the residents of affected areas, there are areas which have not recovered.

Even without the earthquake, Japan needed the concept of creating a "New Japan". As part of fiscal reconstruction, the DPJ administration is planning an "integrated reform of tax and social security

systems". Given the reality of politics in a two-party parliamentary system, the progress of reform might not be speedy. However, after traveling around the country, I am left with the feeling that the Japanese people are fully aware of the necessity of reform. I believe the Japanese economy will be able to find the right path toward recovery.

The Undiminished Creativity of Japanese Companies

In spite of slow paced revitalization of the Japanese macro-economy, Japanese corporations are loosening ties with the domestic economy and pursuing internationalization. Automobile and component makers have already internationalized their businesses. Many of the parts used in an American company's popular tablet

PC are from Japanese manufacturers. It would be a mistake to assume that the companies of Japan are moving in the same direction as the domestic economy and domestic politics.

Young Japanese who are living overseas are quite active. The new director of MIT Media Lab is Japanese. This is an amazing development. He is a world-class person named Joichi Ito. At home, the Japanese Business Federation (known as "Keidanren") is coming to understand the necessity of "global talent", and Japanese corporations are placing higher value on individuals with experience abroad.

Small and medium-sized Japanese companies often have incredible technology and creative capabilities. Let's look at two excellent examples. First, the glasses I use. I've reached an age where it is better to take off my glasses when reading books or magazines, but it is also a bother to remove them. When I asked the staff at my local glasses store, they introduced me to glasses which offered the simple solution: Flip-up lenses. This is very convenient, and I like this product.

I thought my foreign friends may want these glasses, so I asked a glasses manufacturer "Don't you sell these overseas?" The answer was stunning: "No. We don't sell overseas. We wouldn't be able to fix them when they break" In Japan, this response is a virtue. The firm takes responsibility for its products. Abroad, people laugh when I tell them the response; foreign friends just wonder why the firm doesn't create an overseas sales network. Apart from morality, it is a waste not to sell such a fine product abroad.

This can also be said of a new type of "cat litter" for indoor cats. This scentless product is amazing, and perfect for apartment living. The developer of this product also takes pride in producing the world's most advanced cat-litter. However, this product is also unavailable overseas.

Small and medium-sized companies in Japan are hesitant to expand abroad. If they could only clear this psychological barrier, they would surely be able to raise the global reputation of Japanese companies with their unflagging zest for creative product development, make more money, and satisfy customers around the world.

Strengths in Energy-related Technologies

When looking at Japanese corporations, another point to consider is changing global competitive conditions. Though many emphasize the exchange rate when considering competitiveness, innovation based on technology and global networks are more important. As I said previously, because Japanese companies have the technol-

ogy, if they would raise their awareness of global networks, they would be able to capitalize on the excellent position they occupy.

For example, energy is a major theme. If the world does not want to lose its hold on civilization, energy productivity must be increased beyond the rise of oil prices. When considering what companies can do to raise energy efficiency, the excellent track record of the many Japanese companies comes to mind. These individual companies should further develop such technologies, and make them available globally.

A Strong Economy: A Chance at Revival

The world is currently grappling with important topics such as energy, food supply, and the environment. This presents the Japanese economy with an opportunity, despite the many problems it also is facing. Even without the earthquake and the nuclear plant accident, we needed the concept of a "New Japan". Pursuing recovery by recognizing global trends would bring strength back to the Japanese economy.

The restart of older thermal plants after Japan's halt of the nuclear power plants made it very clear that large-scale power facilities are outdated. Current thermal generators only produce electricity at 40% efficiency, but the new combined cycle gas turbines raise that to 60%. If we concentrate our technological prowess, surely we would be able to produce something even better. We now have a chance to implement mid-sized, efficient power generation facilities and improve the efficiency of the electric power system in one stroke.

Thinking of the victims of the earthquake and nuclear plant disaster, many Japanese strongly feel that they need to find ways to provide energy efficiently and safely. There is a need for policies to promote efficient energy. Regulations in this field will likely be altered, and technology will progress. What results can we expect from such a process? The increased efficiency of Japan's economy and Japanese corporations.

Finally, I would like to touch upon the area of domestic demand. The primary example of this is real estate. The non-performing asset problem in Japan's real estate market is long-gone. With latent demand progressing, and with city-planning responding to the aging population, real estate prices would be quick to recover if deflation were overcome. Of course, fiscal reform remains imperative. However, if fiscal balances are put on the correct path, I am confident we will see the speedy revival of the Japanese economy.



The Olympics: The Sports Industry's Chance at Gold

The London 2012 Olympic Games are approaching. As the 30th summer Olympic Games, this is an event to be celebrated. The 4-year cycle of the games makes them both the peak of world sports and a tremendous business chance for the sports industry. We looked in on some Japanese corporations as they made their preparations for the London Olympics.

by Piroshi Utsunomiya

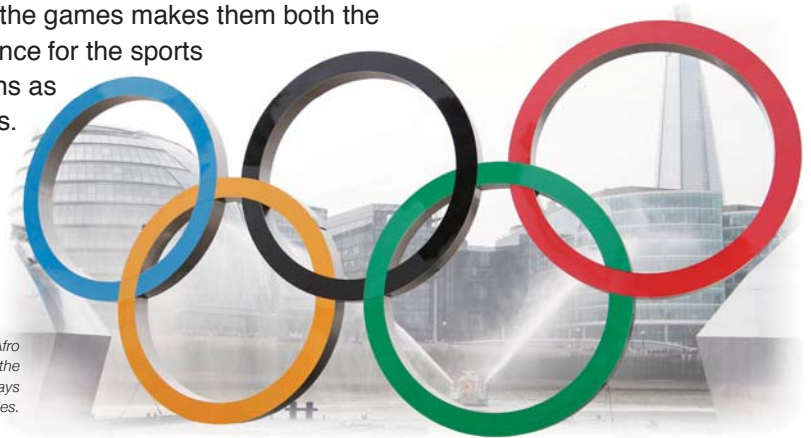


Photo: Reuters/Afro
Giant Olympic rings float down the Thames River celebrating 150 days until the start of the Games.



The "Smart Viera VT5 Series" turns viewers' living rooms into front seats at the stadium with its high-end 3D plasma screen.

The "AG-3DP1" is the newest rig-camera recorder being used for the 3D broadcast of the London Olympics.

Official Worldwide Olympic Partner




New Sports Programming for 3D-TVs: Panasonic's Challenge

Panasonic Corporation has been named as a top sponsor (The Olympic Partner, or TOP) by the International Olympic Committee (IOC). Munehiko Harada, professor at Faculty of Sport Science, Waseda University, pointed out the large benefits that go along with this name.

"Because the Olympic Charter has provisions for a clean venue, companies are not able to place advertisements or their names within the event sites. However, TOP names are displayed on Olympics-related publicity materials which are viewed all over the world. TOPs are able to use the Olympic mark in promotions and capture a variety of marketing opportunities."

Furthermore, Professor Harada cited the benefits to branding gained by being a TOP. "Panasonic is the only TOP in Japan. They have maintained a continuous contract since the 1988 Calgary Olympics. This long history of TOP sponsorship is indicative of

Munehiko Harada, Ph.D.

Mr. Harada works as a professor at the Faculty of Sport Science, Waseda University, chairman of the Japanese Association for Sport Management, representative promoter for the Japan Sport Tourism Alliance, and advisor for bj-League (Japan Professional Basketball League) Management Advisory Committee.

the strength of the corporation.

"The Olympics act as verification of the world-class technology which Panasonic employs in their AV and broadcasting devices, as well as their digital still-cameras."

TOP Sponsor contracts are limited to one company per category. It is a position which proves to the world that the company is second to none in their field.

3D TV-broadcasting will also be a hot topic at the London Olympics. The IOC's Olympic Broadcasting Services (OBS) will televise over 200 hours of 3D content worldwide over the course of the coming games. Panasonic has equipped the OBS with the latest in 3D technology, pledging



its technical support to this endeavor. Hironobu Nishigai, chief of Panasonic's Olympic Marketing Department, had the following to say.

"The London Olympics has provided us with the perfect chance to display the reliability of Panasonic's products to the world. The Olympics are events in which failure cannot be tolerated, and their reliance on Panasonic devices has been a tremendous endorsement of the reliability of our technology. We will be supplying large numbers of our best equipment, such as our AG-3DP1 integrated twin-lens 3D camera recorder. This camera's integrated features greatly expand the attractiveness and potential of 3D broadcasting with its versatility and mobility."

Mr. Nishigai also expects this live 3D broadcast to dramatically enhance consumer awareness of 3D products.

"An expansion of 3D content is vital for the further spread of 3D-TVs in consumer households. Currently, the 3D content available for households is limited to movies. The 3D broadcast of intense Olympic competitions will surely have a great impact on viewers. We look at the London Olympics as an important turning point in expanding opportunities to enjoy the 3D-TV."

Additionally, with its status as a TOP sponsor, Panasonic is able to engage in

TOP (The Olympic Partner)

Corporate partners at the highest level of Olympic sponsorship in the International Olympic Committee's "The Olympic Program". Currently, there are 11 TOP companies, including Panasonic. TOP are entitled to exclusive worldwide marketing rights and opportunities for the designated product category (use of Olympic mark, invitations to Olympic events, priority advertising opportunities during Olympic broadcasts, etc.)

JOC Official Partner

Corporate partners in the Japanese Olympic Committee's "JOC Official Partner Program". With regard to advertising and promotion of contracted products and services, the partners are able to use the JOC mark, intellectual property related to the Japanese Olympic Team, and athlete images managed by the JOC.



Christophe Lemaitre (France), a short-distance sprinter contracted with ASICS.



Wind-breakers and bags for the Japanese Olympic Team bound for London.



ASICS's "GEL-QUICK33" running shoes.



Swim wear for the London Olympics



promotional activities which capitalize on the Olympic image. This summer, it's no doubt that consumers will flock to Panasonic products as they display the Olympics in full 3D glory.

ASICS Aim: A Perfect Chance for Brand-Building

What role can sports goods manufacturers take at the world's greatest sporting event? We asked this question to Katsumi Kato, executive officer of ASICS Corporation, as his company will supply athletes with its full catalogue of gear.

"The world first began to notice the superior quality of our shoes during the Montreal Games in 1976. Since then, we've been experiencing immeasurable benefits from Olympic exposure. We are able to demonstrate the quality of ASICS technology to the market through the teams and individu-

als using our products again in the London Games.

"In particular, we are planning on unveiling spikes using a completely new material in the sole which has never been seen by the market before. However, we are not simply seeking exposure. The ASICS brand truly shines when paired with emotional scenes involving the athletes. We have a contract with French runner Christophe Lemaitre, a gold-medal contender in the 100m and 200m dash. This isn't just a matter of record-setting, we hope that his character, lifestyle, and story as an athlete will be viewed alongside the ASICS brand. By blending ASICS technology with the athletic drama of Mr. Lemaitre and other athletes, we aim to enhance our brand image over the long-term."

With its focus on running sports, ASICS is sponsoring track & field teams from 8 different countries, including Japan, Korea, the Netherlands, Bulgaria, and Italy. The

various stories surrounding these teams and their accomplishments will help add character to the ASICS brand image.

The company also displays solid confidence in the heated "swimsuit war". Executive officer Masao Hijikata had this to say.

"Competition in the field of high-speed swimsuits can be said to be a constant battle of R&D. This is a very fierce competition between manufacturers. ASICS has prepared a wonderfully performing lineup for the London Games. For the Beijing Games, Japanese athletes made a last minute decision to wear swimsuits from a foreign manufacturer. However, we are so confident that we believe a reversal before the London Games may occur where we see many other teams shifting to ASICS just before the games."

ASICS has also paired with leading countries like Italy for women's volleyball, and Russia, Mongolia, and the United States for wrestling. ASICS will surely make the most





Mizuno's Sport Shoe Lineup



Football



Track & Field



Table tennis



Official uniforms of the 2012 Japanese Olympic Team (Replicas)



Mizuno corporate athlete and backstroke swimmer Aya Terakawa in swimwear for the London Olympics

Mizuno corporate athlete and hammer thrower Koji Murofushi

of this opportunity to develop its brand to flourish on the Olympic world-stage of sports.

Mizuno Taps the "Olympic Effect"

Japan's representative sporting goods manufacturer Mizuno Corporation views the London Olympics as an important event as they steadily ramp up preparations. Makoto Takahashi, Deputy Senior Manager of Mizuno's Public Relations and Advertising Department, spoke with us about the "Olympic Effect".

"The benefits of being involved with the Olympics are, more than a short-term boost, an improvement of brand image consciousness over the long-term. We will be supplying Japanese teams with gear over a total of 15 competitions at the London Olympics. We hope to show the technological prowess of Mizuno through these games."

"On the other hand, there are moments where you experience rather explosive benefits. During the Olympic Winter Games in Nagano, speed-skater Hiroyasu Shimizu and the ski jump team both won gold medals. Following that, sales for replicas of the clothes they wore on the winners' podium picked up. Initial sales goals were set at 5,000 units, however, in the end, sales reached 40,000 units, totalling over JPY 2 billion. We are also providing the official wear for the Japanese team at the London Olympics. Each time Japanese athletes climb the podium, our sales of replica uniforms will go up."

Furthermore, as the biggest event in sports, the Olympics provide an opportunity for tremendous brand exposure. According to surveys by Mizuno following the Athens

Olympics, Mizuno's exposure in the media, including newspapers and television, before and after the Games was equivalent to approximately JPY 20 billion in advertisement value. In 2003, Mizuno corporate athletes such as Koji Murofushi and Shingo Suetsugu had excellent performances at the World Championships in Athletics held in Paris. In the month of August, Mizuno's frequency of appearance in newspapers reached #1 among Japanese corporations. This not only demonstrated the attention-grabbing power of sports, but also speaks of the invaluable marketing chance that peak events offer to sports-related businesses.

"Recently, our company has secured very positive sales for our running shoes in European markets. Given that, our products in this category to be offered at the London Olympics can have a huge impact. We will introduce shoes for each competition which have a "MIZUNO WAVE" function offering two contrasting features, that is, both stability and cushioning, simultaneously. The performance of these shoes and the attention they earn is directly connected to their promotion in the general market," said Mr. Takahashi.

For athletes, the Olympics stand as a goal. However, for companies, the Olympics can also be said to be a start for marketing. Each corporation's winning scenario involves a perfect starting dash in the London Olympics to hold the lead on marketing opportunities. In order to achieve such goals, they will require just as much careful preparation as their athlete counterparts. It seems the run-up to gold in the London Olympics is now in full-swing.

Panasonic Corporation

<http://panasonic.co.jp/company/>

Panasonic is the Japan's largest comprehensive consumer electronics maker. The Company has placed the "environment" at the center of all its business activities and aims to become the No. 1 Green Innovation Company in the electronics industry by the 100th anniversary of its foundation in 2018. Panasonic has extended its TOP (The Olympic Partner) sponsorship with the IOC through 2016.

- TSE/6752 Bloomberg/6752: JP REUTERS/6752.T
- Total Outstanding Shares(Feb.3 '12): 2,453,053,497 shares
- Shares per Trading Unit: 100 shares
- Date of listing: May 16 1949

(¥Mil.)	Sales	Operating Profit	Income (loss) before income taxes	Net Income
'11.3	8,692,672	305,254	178,807	74,017
'12.3*	8,000,000	30,000	▲820,000	▲780,000
	Earnings per share(¥)	Dividend per share(¥)	ROE(%)	ROA(%)
'11.3	35.75	10.00	2.9	0.9
'12.3*	▲337.33	10.00		

ASICS Corporation

<http://www.asics.com/top/>

ASICS's sports shoes and other products are supported by a diverse range of athletes including top athletes and amateur sports players. The Company has globalized its business with the two core brands, "ASICS" and "Onitsuka Tiger". ASICS has a foreign sales ratio of approximately 60%.

- TSE/7936 Bloomberg/7936: JP REUTERS/7936.T
- Total Outstanding Shares(Feb.1 '12): 199,962,991 shares
- Shares per Trading Unit: 100 shares
- Date of listing: May 29 1972

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	253,349	21,573	19,467	11,046
'12.3*	250,000	20,500	18,500	11,000
	Earnings per share(¥)	Dividend per share(¥)	ROE(%)	ROA(%)
'11.3	58.26	10.00	11.1	5.5
'12.3*	58.02	12.00		

Mizuno Corporation

<http://www.mizuno.com/>

Mizuno is a comprehensive sporting goods manufacturer engaged in the development and sale of products for almost all competitive sports, such as golf, baseball, swimming, and running. The Company is extensively developing its business in the sports industry, including school business administration.

- TSE/8022 Bloomberg/8022: JP REUTERS/8022.T
- Total Outstanding Shares(Feb.9 '12): 132,891,217 shares
- Shares per Trading Unit: 100 shares
- Date of listing: Dec. 1 1962

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	150,032	4,598	4,469	2,838
'12.3*	152,000	5,000	4,500	2,700
	Earnings per share(¥)	Dividend per share(¥)	ROE(%)	ROA(%)
'11.3	22.78	10.00	3.8	2.2
'12.3*	21.67	10.00		

Dec.14
2011
listed

NEXON Co., Ltd.



[Information & Communication]

<http://company.nexon.co.jp/>

NEXON-led "Free to Play" market expanding on a global scale

Founded in South Korea in 1994, NEXON is engaged in the production, development, and distribution of online games. NEXON moved its headquarters to Japan in an aim to globalize its business after it succeeded in "The Kingdom of the Winds" in 1996, the world's first massively multiplayer online role playing game.

In 2003, the company first launched "Free to Play" online games which allow users to play all games free of charge. In each game, basic gameplay is offered for free, but users are charged for game items, a richer gaming experience. In fact, only 10% of the total users purchase such items, but the accumulated total of registered accounts exceeds 1.3 billion worldwide*1, meaning a great number of users purchased game items.

The company's strength lies in possessing a large amount of long-running hit content, such as "Maple Story" and "Mabinogi". Since its foundation, NEXON has been steadily increasing its earnings by piling new successes upon the success of existing content.

Its other advantage lies in having the know-how to sell successful content to other overseas markets. The company localizes the clothes, items, and various other parts of such content based on the culture and preference of each country. The offices in South Korea, North America and Europe and partners in each country and region are in charge of localization. NEXON has accumulated

its know-how for globalizing its business since establishment and currently distributes online games in more than 100 countries*1.

Sales in FY2011 totaled JPY 87.6 billion. The company has entered new markets, including those of tablets, smartphones, as well as launched "Free to Play" online games in the Southeast Asian and Chinese markets. There's a lot to look forward to in NEXON's future growth.

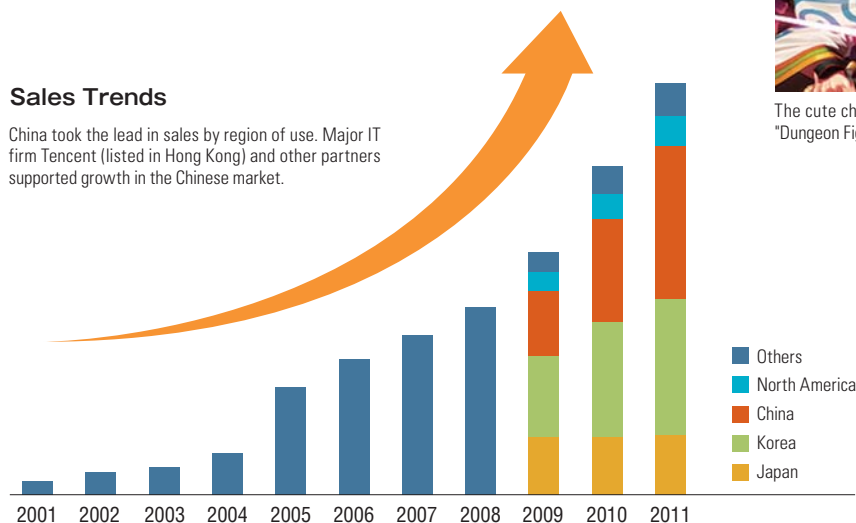
*1 As of February 2012



The cute characters of the popular "Maple Story" and player-vs-player hit "Dungeon Fighter Online".

Sales Trends

China took the lead in sales by region of use. Major IT firm Tencent (listed in Hong Kong) and other partners supported growth in the Chinese market.



Data from 2001 to 2007 is based on the auditor reports of Nexon's parent company NXC. 2008 data is based on unaudited consolidated financial statements. The data shown is share of sales by region of use from 2009.

■ TSE/3659 Bloomberg/3659:JP REUTERS/3659.T
 ■ Total Outstanding Shares (Feb.14 '12): 426,132,900 shares
 ■ Shares per Trading Unit: 100 shares

(¥Mil)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.12	87,613	38,249	36,905	25,755
'12.12*	102,086	45,259	45,850	33,516

	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'11.12	71.65	0,00	14.8	10.9
'12.12*	78.65	-	-	-

Dec.21
2011
listed

Star Flyer Inc.

[Air Transportation]



<http://www.starflyer.jp/en/>

A hybrid LCC*1 pursuing safety, high-quality and low cost

*1 Low-cost carrier, also known as budget airline.

Star Flyer is a new airline based at Kitakyushu airport located in Kyushu, Japan. Its 6-plane fleet offers 42 regular one-way or 21 round-trip flights per day on three domestic routes between Haneda and Kitakyushu, Kansai, and Fukuoka airports. Its core Kitakyushu-Haneda service is available from 5 a.m. until 1 a.m. the following day. The route has been warmly welcomed by business travelers as a direct link between Tokyo, the domestic business center, and the Kitakyushu industrial area.

Star Flyer's business model is that of a hybrid LCC. The airline targets users of major airlines who would prefer lower cost over equivalent or better services, or users of budget airlines who are willing to pay slightly more for better services.

Seating 150 in a cabin that normally holds 180 passengers, Star Flyer offers the comfort of a spacious experience. An added sense of luxury is provided by all-leather seats throughout the passenger cabin. TV monitors offering 20 viewing channels and free coffee on the drip have also contributed to establishing a reputation for in-flight service quality. As a result, Star Flyer has been selected as the top airline for three consecutive years based on JCSI (Japanese Customer Satisfaction Index) surveys.

The Star Flyer fleet is completely comprised of Airbus A320 aircraft. The airline employs a single model for its entire fleet to maximize efficiencies in staffing and equipment and thereby raised operational profitability. Capitalizing on a listing on the TSE Second Section on December 21, 2011, Star Flyer will increase flights to generate economies of scale.

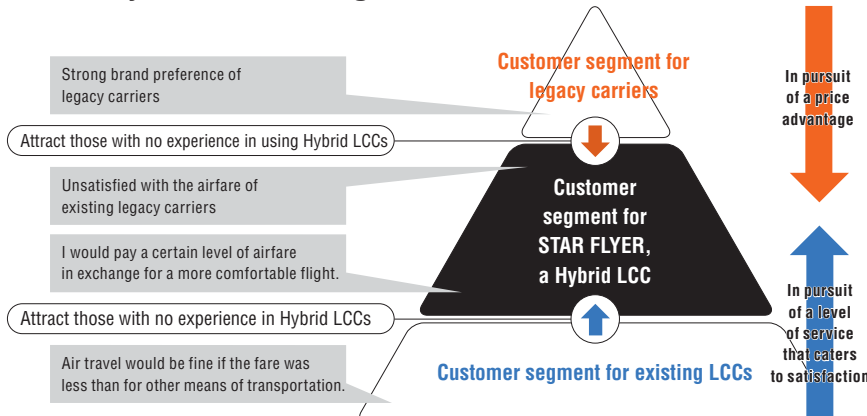
In July 2012, Star Flyer will launch a new international service between Kitakyushu and Pusan. With plans in fiscal year 2013 to increase its flight frequency in response to the secondary allotment of arrival and departure slots at Tokyo's Haneda airport, the airline is expected to soar to greater heights.



A Star Flyer Airbus A320. Both the interior and exterior are dressed in Star Flyer's trademark black.



Star Flyer 's Potential targets



■ TSE/9206 Bloomberg/9206:JP REUTERS/9206.T
 ■ Total Outstanding Shares (Jun.23 '12): 1,432,820 shares
 ■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	18,186	1,536	1,109	811
'12.3*	22,931	1,022	922	904

	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'11.3	6.42	0.00	31.5	10.8
'12.3*	691.70	0.00		

Oct.26
2011
Listed

Poletowin Pitcrew Holdings, Inc.

[Information & Communication]



Quality assurance testing and content moderation services driving rapid growth

Poletowin Pitcrew Holdings, Inc. has 8 consolidated subsidiaries. The group is centered on Pole To Win Co., Ltd., Japan's first third-party testing and quality assurance service provider and current industry leader, and PITCREW Co., Ltd., a pioneer of online content moderation services in Japan. By leveraging the services provided by its group companies, Poletowin Pitcrew is able to offer comprehensive support packages for all product stages from planning and development to quality assurance testing and customer support. This has been the major driving force behind the group's global expansion, and has allowed it to capture a rapidly growing portion of the overseas market.



<http://www.poletowin-pitcrew-holdings.co.jp/>

■ TSE/3657 Bloomberg/3657:JP REUTERS/3657.T
 ■ Total Outstanding Shares(Mar.9 '12): 4,256,000 shares
 ■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'12.1	8,364	1,275	1,280	651
'13.1*	9,140	1,350	1,340	766
Earnings per share(¥)		Dividend per share(¥)	ROE (%)	ROA (%)
'11.1	172.02	38.00	19.1	14.6
'13.1*	180.00	44.00		

Oct.28
2011
Listed

eBook Initiative Japan Co., Ltd.

[Information & Communication]



Aiming to become Japan's largest general electronic bookstore

Comic books account for approximately 80% of the rapidly-growing electronic book market in Japan*1. "eBookJapan", a comprehensive electronic bookstore run by eBook Initiative Co., LTD., offers an expansive assortment of comic books. The company provides a "trunk room" service in which content purchased from eBookJapan is stored in the cloud free of charge. This service allows users to read content on their chosen device and prevents loss of purchased e-books caused by device malfunction or replacement. The company has succeeded in attracting a wide user base.



<http://corp.ebookjapan.jp/>

■ TSE/3658 Bloomberg/3658:JP REUTERS/3658.T
 ■ Total Outstanding Shares(Feb.29 '12): 2,108,300 shares
 ■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'12.1	2,176	309	295	373
'13.1*	2,960	350	350	205
Earnings per share(¥)		Dividend per share(¥)	ROE (%)	ROA (%)
'12.1	201.07	0.00	68.8	38.3
'13.1*	102.39	0.00		

*1 Business Survey Report on Electronic Comic Books 2011 (Source: Impress R&D)

Dec.7
2011
Listed

Livesense Inc.

[Services]



Developing a ground-breaking affiliate program information site

Livesense, Inc. is an Internet media site provider which applies an affiliate marketing concept. With a fee structure in which posting information is free and only charged in cases of actual job offers or queries regarding real estate, over 15,000 companies have begun using this well-received service. Furthermore, users who have found jobs or residences through the site are eligible for rewards and cash-back incentives. In addition to a win-win information business model for corporations, users, and Livesense itself, the company also possesses a highly effective business management structure, pulling from unique strengths in web-based marketing techniques and competitive service development capability.(Operating profit ratio for the period ended Dec. 2011 was 45.7%)

LIVESENSE

<http://www.livesense.co.jp/>

■ TSE/6054 Bloomberg/6054:JP REUTERS/6054.T
 ■ Total Outstanding Shares(Feb.14 '12): 3,450,000 shares
 ■ Shares per Trading Unit: 100 shares

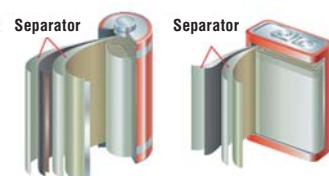
(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.12	1,134	518	508	273
'12.12*	1,777	719	719	398
Earnings per share(¥)		Dividend per share(¥)	ROE (%)	ROA (%)
'11.12	90.37	0.00	25.9	20.6
'12.12*	115.38	0.00		

Dec.16
2011
Listed

W-SCOPE Corporation

[Electric Appliances]

Rapid growth from mass production of "separators" for lithium-ion secondary cell batteries



The market scale of lithium-ion secondary cell batteries, though mainly used in portable electronic devices, has been expanding due to increasing demand in other areas, such as hybrid cars. W-SCOPE succeeded in the commercial production of "separators" for lithium-ion secondary cell batteries which are said to be difficult to mass produce due to requiring advanced manufacturing technologies. All products are manufactured by subsidiaries in Korea and sold mainly in China, the US, and Korea where battery production has been rising. With its product creation which meets customer needs and cost competitiveness, the company increased ordinary profits by approximately 7 times on a year-on-year basis in 2011. W-SCOPE is now increasing and enhancing its production lines to meet further demands for separators.

<http://w-scope.co.jp/en/>

■ TSE/6619 Bloomberg/6619:JP REUTERS/6619.T
 ■ Total Outstanding Shares(Feb.10 '12): 14,171,600 shares
 ■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.12	3,382	1,309	1,232	1,205
'12.12*	5,617	2,079	2,058	2,003
Earnings per share(¥)		Dividend per share(¥)	ROE (%)	ROA (%)
'11.12	94.61	0.00	16.9	14.3
'12.12*	141.33	0.00		



Dec.19
2011
Listed

Japan Material Co., Ltd.

[Services]



Expanding business by providing technology to cutting-edge electronics factories

Japan Material is steadily expanding each of its 2 primary businesses in cooperation with its 6 consolidated subsidiaries. Its electronics business conducts infrastructure business related to special gases indispensable to semiconductor and liquid-crystal manufacturing processes, as well as other areas such as ultra-pure water and liquid medicines. In particular, the special gas-related business covers a consistent field from feeder manufacturing, piping, and operational management to maintenance. Japan Material's graphics solutions business conducts the import, planning, sale and support of multi-monitor graphics products as an official distributor of Matrox Graphics, Inc. (Canada).



http://www.j-material.jp/jm_e_top.html/

■ TSE/6055 Bloomberg/6055:JP REUTERS/6055.T
■ Total Outstanding Shares(Feb.14 '12): 2,668,320 shares
■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	8,067	1,156	1,187	700
'12.3*	9,586	1,305	1,306	777
	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'11.3	882.09	264.00	12.1	8.7
'12.3*	314.80	87.00		

Dec.20
2011
Listed

Chiome Bioscience Inc.

[Pharmaceutical]



Achieving revolutionary speed and diversity in antibody generation

Chiome Bioscience Inc. is a research and development company that developed technology which uses its unique drug development platform to generate antibodies against cancer and other diseases in about 10 days. It has obtained patents in many countries and is ready to conclude contracts with multiple drug manufacturers in the rapidly growing antibody drug market. By further refining the technique, the company also succeeded in developing antibody generation technology against multiple-transmembrane proteins. The company's goal is achieving "the ultimate made-to-order drugs" of providing individual patients with antibodies best suited to them.



<http://www.chiome.co.jp/english/>

■ TSE/4583 Bloomberg/4583:JP REUTERS/4583.T
■ Total Outstanding Shares(Feb.3 '12): 2,066,000 shares
■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	463	▲231	▲237	▲180
'12.3*	629	▲7	▲44	▲45
	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'11.3	▲126.76	0.00	▲30.4	▲20.5
'12.3*	▲24.89	0.00		

Dec.20
2011
Listed

Nitta Gelatin Inc.

[Chemicals]



We Live for Your Life

The largest global gelatin specialist in Asia

Nitta Gelatin Inc. is a food-products maker with a 50% share of the domestic Japanese gelatin market. The company has been focusing its efforts toward sales in primarily North America and Asia, with overseas sales accounting for roughly 30% of total sales. Its business includes food materials, such as collagen, collagen peptides, collagen casing, and adhesives. It is also involved in regenerative medical materials research, including artificial skin and artificial bone. Demand for gelatin, collagen, and other such products remains high both domestically and in the global market. Nitta Gelatin aims to increase its sales volume by 1.4 times, to JPY 40 billion by FY ending March 2016.



<http://www.nitta-gelatin.co.jp/english/>

■ TSE/4977 Bloomberg/4977:JP REUTERS/4977.T
■ Total Outstanding Shares(Feb.9 '12): 15,770,074 shares
■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'11.3	27,923	1,486	1,383	1,051
'12.3*	28,194	2,060	2,017	1,308
	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'11.3	160.39	7.50	17.2	4.9
'12.3*	94.84	10.00		

Dec.22
2011
Listed

Misawa & Co.,Ltd.

[Retail Trade]



Expanding its share of the casual furniture market by proposing a comfortable lifestyle

Misawa is engaged in the planning, import, and sale of furniture, interior goods and garment accessories. At its directly-run store, "unico", most of the furniture and interior fabrics are its own originals. The store proposes a comfortable lifestyle using the company's products, moving some customers even to say "I want to live here". Misawa has been increasing both sales and profits using an SPA method (Specialty store retailer of Private label Apparel). The SPA method allows the company to produce and sell private label products at its own factory in the Philippines as well as subcontracting companies in Japan and foreign countries. There are currently 21 stores and Misawa is scheduled to expand the number of the stores to 40 in the next three years.



<http://www.unico-fan.co.jp/>

■ TSE/3169 Bloomberg/3169:JP REUTERS/3169.T
■ Total Outstanding Shares(Mar.14 '12): 2,070,000 shares
■ Shares per Trading Unit: 100 shares

(¥Mil.)	Sales	Operating Profit	Ordinary Profit	Net Income
'12.1	4,621	392	375	228
'13.1*	5,415	494	460	291
	Earnings per share(¥)	Dividend per share(¥)	ROE (%)	ROA (%)
'12.1	138.51	0.00	59.5	11.8
'13.1*	140.58	0.00		

Mothers PRESIDENTS

Vibrant top-class companies blaze a trail into Japan's future on Mothers, the TSE market for growth companies. A section entitled "Sou (Create)" on the one-stop portal site for the TSE Mothers market, "Mothers Portal" features top executives of Mothers-listed companies. Gain an insight into the unique personalities leading the charge toward a new Japan.



Netyear Group Corporation President & CEO

Fujiyo Ishiguro

ra((oon

I was originally an engineer for urban planning and bridges, but I felt that I had other things to do and I gave up my salaried job to study in China. Everyone wanted to go to the US at the time, but my life in China was a constant adventure and a truly great experience. When I returned to Japan, I started a trade business, took the time to carefully think about what I should commit myself to, and came up with a business model which then gave birth to Raccoon.

Tonya is a traditional wholesale culture unique to Japan. Combining the important functions of information, payment and delivery, and logistics, it lies at the foundations of domestic trade in Japan. However, today's apparel and sundries industry is quite complex, with redundancies and inefficiencies. The reason behind this is that Japanese wholesale methods have not evolved quickly enough. Our theme is based around using the Internet to turn this into an efficient and convenient system. If we can create a system for retailers to place timely orders to manufacturers for what they want, then manufacturers' inventory levels can be kept close to zero. This will in turn generate benefits such as reaping profit even when goods are sold at much lower retail prices.

Raccoon's "SUPER DELIVERY" is a site where 30,000 retailer members purchase products offered by close to 1,000 participating companies. In October last year, we launched our online BtoB post-payment service "Paid". Now we can finally look forward to the revolution in the distribution system for apparel and sundries that we had envisioned.

Digital marketing to give Japanese companies an added edge



My life changed when I enrolled in Stanford University's business school, bringing my 2-year old son in tow. Everyday, the skies were open and blue and everyone was 100% set on starting their own business. I thought to myself, "I really wanted to be here!" Stanford is where Silicon Valley culture is spread. Rather than competition, the university advocates harmony teaching people to team up with those possessing different skills and abilities.

After starting my own consulting business in Silicon Valley, I got involved in planning Netyear Group and became its president in 2000. Netyear Group's business is supporting marketing activities on the Internet. Marketing can be thought of as spanning across the whole corporation from product and service development, promotion to customer service. In this sense, digital marketing can be thought of as a tool made for all these different aspects. Till today, we had targeted large companies and offered customized solutions. Going forward, we hope to develop a versatile application that can support a wide range of companies from SMEs to large businesses. I believe that Japanese companies can raise operating profits by at least 3% by putting some effort into marketing and product and service branding. We hope to change the face of Japanese companies by improving marketing in Japan.

Let the revolution begin! Transforming apparel and sundry distribution



Raccoon Co., Ltd. CEO/MD/President

Isao Ogata

What is "TSE Market Impact View"?

Tokyo Stock Exchange, Inc. (TSE) began distributing all quote information on individual issues traded on the TSE market (known as full-depth order book information) in connection with the launch of arrowhead in January 2010. "TSE Market Impact View" is a system designed to provide easy to understand, visually analytical data for full-depth order book information.

The analytical information provided by TSE Market Impact View allows users to

- Get an intuitive understanding of whether the orders for the stock they are trading are biased towards bids or offers
- Select stocks for which orders are biased on the upside (downside)
- Observe the bid/offer order bias for a number of different stocks as a whole
- Select stocks for which the order book is deep and prices are less volatile (i.e. high liquidity)

Overview of TSE Market Impact View

TSE Market Impact View is comprised of the following two analytical applications.

(1) "Individual Stock Analysis Screen" for analyzing individual stocks

(2) "Market Analysis Screen" for an overview of market trends

(1) Individual Stock Analysis Screen

This screen displays an intuitive graph of order balance obtained through analysis of full-depth order book information.

When shares are executed in the current order book, as the number of shares executed gets larger, the average execution price deviates further from the middle price. This deviation is known as the "impact" of executing this number of shares. The "Individual Stock Analysis Screen" displays graphs of bias toward buying or selling pressure by analyzing the degree of potential impact on bids and offers in the order book at each point in time during Zaraba (continuous auction) trading.

(2) Market Analysis Screen

This screen offers graphs and charts showing the relationship of the balance of orders in the order books to recent price movement (order book balance), and the distribution of potential volatility (order book spread). This allows users to understand the overall trend of their selected portfolios.

The graphs and charts displayed in "OB-Balance" and "OB-Spread" allow users to understand overall order book conditions and identify issues at unusual prices.



User registration is required to use "TSE Market Impact View".

After user registration, a password will be issued. Use this password to log in and select "Individual Stock Analysis Screen" or "Market Analysis Screen" on the top page of the "TSE Market Impact View" (both screens are updated automatically every five seconds). This service is currently provided via a trial site. During the trial period, all users can experience the service at no charge.

The Brimming Potential of Japan's ETP Market

In recent years, the conditions surrounding the Japanese ETP (*1) market have undergone great change. In the 20 years since the birth of ETFs, the ETP market of Japan lagged behind its counterparts in the US and Europe in terms of market scale and product lineup. However, in March 2008, TSE announced its intention to diversify ETPs in its Medium-Term Management Plan. As a result of these efforts, listed issues have increased by nearly 10 times, leaping from 13 issues in December 2007 to 118 issues by March 2012. TSE now boasts the highest number of listed issues in all of Asia.

Additionally, though trading value in the ETP market was depressed following the Lehman Shock, its recovery outpaced that of the overall stock market. Market conditions have maintained this positive momentum and further growth is expected. The Bank of Japan continues to purchase ETFs as part of its policy of promoting monetary easing, with an upper limit set to approximately JPY 1.4 trillion. This has fuelled demand while reinforcing investor's confidence in the ETP market.

In the increasingly diversified ETP market, particularly large growth is expected from ETPs linked to leveraged and inverse indicators. Nearly 500 of these ETPs, which are linked to indicators which magnify or invert fluctuations of specific indicators, are listed in various countries and enjoy high liquidity. TSE revised its listing rules in March 2012 to allow for ETPs which link to such leveraged/inverse indicators. Starting with the first leveraged/inverse ETF in Japan, the "TOPIX Bull 2x ETF" and "TOPIX Bear -1x ETF", listed on April 5th, leveraged/inverse ETPs which link to a variety of indices are expected to contribute to an increase in trading activity.

Expansion of the ETP product lineup is also progressing. For example, the end of last year saw the appearance of enhanced ETFs, which link to indicators modeled on investment strategies like the covered-call strategy (*2), and the "TSE Mothers Core ETF" which invests in 15 issues which are representative of the Mothers growth market, chosen based on market capitalization, liquidity, profits, and other figures.

These initiatives are part of TSE's efforts to create an even more convenient ETP market for both domestic and overseas investors. Moving forward, TSE will continue to focus its efforts toward its goal of developing into one of the world's core ETP markets.

(*1) Exchange Traded Products. A term comprising ETFs, ETCs, and ETNs.
 (*2) The covered-call strategy is a well known investment strategy which utilizes options trading. This strategy combines the holding of such underlying assets with the sale of call options when large fluctuations are not expected for the underlying stocks or stock price indices over a short period of time. This combination aims to improve returns with the receipt of a premium in exchange for limiting profits should the price of the underlying asset greatly increase.



An offering of variety

"TSE IR Festa 2012" was held on March 9 and 10 at the Tokyo International Forum (Yuraku-cho, Tokyo). "TSE IR Festa", a Tokyo Stock Exchange, Inc. (TSE) event, is one of the largest of its kind in Japan gathering listed companies and investors at the same time. Now in its 6th year, the event saw a record number of 71 participating companies and 14,500 visitors over two days.

A wide variety of events were held to attract the young and members of the public with little investment experience. There were also lectures by economists and professors, talks by internationally active personalities, and other enjoyable events such as "Finance Ogiri" where rakugo* storytellers competed to make the best jokes on finance. Companies were given the chance to hold corporate information sessions in six dedicated sites to explain management policies and future visions to visitors.

*Ogiri: Impromptu storytelling competition with given topics;
 Rakugo: Traditional Japanese sit-down comedy



Outside the event hall, visitors were welcomed by a talkshow at the satellite studio with special guest and F1 driver Kamui Kobayashi, an enormously popular personality among younger visitors. TSE also held a "Charity auction for aiding reconstruction from the Great East Japan Earthquake" featuring items contributed by notable public figures. The auctioneer, "Brisky the Bear", livened up the bidding. "Brisky" is the mascot of Nippon Ham Fighters, a Japanese professional baseball team.



Features of participating companies

A number of participating companies, such as medical devices manufacturer Terumo Corporation, medical services provider Nichii Gakkan Company, and construction equipment rental company Kanamoto Co., Ltd., put up panels focusing on their contributions to society at their display booths. Nichii Gakkan even demonstrated its services with therapy dogs. A strong representation from the IT sector included mobile contents creator Dwango Co., Ltd., the company behind video sharing website "Nico Nico Douga", and internet

research company Macromill, Inc. With the wide acceptance of ETFs in Japan, their booths also attracted visitors. Many people showed a keen interest in shareholder benefits offered by Keikyu Corporation and Tokyu Corporation and others in the transportation service industry.

"TSE IR Festa 2012" was characterized by the growing participation of leading companies such as Nippon Meat Packers, Inc. and Japan Tobacco Inc., as well as the active participation of Star Flyer Inc., Ya-Man, Ltd., Ekitan & Co. Ltd. and other companies which conducted IPOs in recent years. The event also saw a broader visitor base with many women and families.

The charity auction amassed approximately JPY 420,000 in bids. Adding the same amount as a matching gift, TSE will donate a total of JPY 840,000 to children's benefit funds in the three prefectures affected by last year's earthquake. TSE will continue to strive to offer the public the opportunity to gain knowledge on corporate activities and investment.



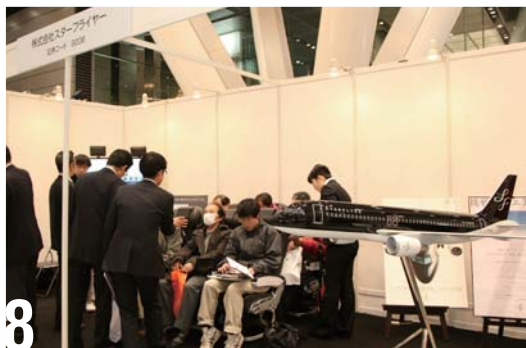
Event corner

1. Nippon Ham Fighters mascot "Brisky the Bear" livens up the Charity Auction.
2. Sharing the art of investing at the forum studio.
3. A first-time attempt at Finance Ogiri!
4. Talkshow with F1 driver Kamui Kobayashi.

Display Booths of TSE-listed companies

5. JT (Japan Tobacco Inc.) gave away canned coffee to increase awareness of its foods business.
6. Kanamoto shows its commitment to reconstruction in the Tohoku region.
7. Nippon Meat Packers' live performance of decorative sausage carving.
8. Star Flyer brought in actual full-leather cabin seats.
9. Nichii Gakkan's therapy dogs.
10. Company mascots
11. A question from SK Japan: What's the color of Doraemon's nose?

a 2012!!



Smart Machines



Raised in Colorado and educated at Harvard University, Patrick Harlan has been a professional comedian, actor and TV personality in Japan since 1996.

How smart is your bathtub?

This is not a question most people contemplate very often. Here in Japan, however, it's a matter of serious consideration, especially for those shopping for a new home or apartment. Bathtubs here in Japan are smart. And most of the toilets are eligible for membership in Mensa.

The bathtub in my apartment comes with a control panel much like the one on the Space Shuttle, only more sophisticated. Temperature control, timing, re-heating, and self-cleaning are all skills my bathtub possesses. And it talks. It tells me when it starts filling the tub or heating the water, and when the bath is ready it calls out to tell me in the kind of cheerful and loving tones that I usually only hear from my wife—when she's addressing the cat.

The toilet is more like a family member than a fixture. It is warm and welcoming even on the coldest winter nights. Its seat automatically rises up to make cleaning easy and enjoyable. It plays music with remarkable resonance provided by the bowl. There's a slot for an SD card with my own musical selections as well. My toilet tunes playlist includes "Big John" and "Put Another Log on the Fire." The commode has flushing options discretely titled "big" and "small." Best of all, it washes you where you need it and blows you dry afterward. Sometimes, I visit my toilet when nature is not calling. Just to sit and chat.

Some toilets come with a remote control. I learned this at a friend's house a couple of months after I arrived in the country. I was using the john when my trickster friend outside started using the remote control, specifically the bidet button. When the warm stream shot out of this remarkable toilet, I remember thinking that our roles had suddenly been reversed.

Despite this shocking introduction, I soon fell in love with this unique and adorable appliance. So much so that on my first trip back to America, I brought home a toilet seat for my parents. The heated seat was very popular in the cold Colorado winter though, thanks to the higher voltage in the USA, we soon learned that a long rest on the john could roast you like a Christmas turkey.

Smart phones, as you might expect, are smart everywhere. Globally, my rough calculations show that they are on average at least 450 times as smart as their users. However, Japanese phones can do much more than their foreign counterparts. You can use your phone to ride the train, shop at a store or buy a beer from a vending machine. (Yes, vending machines have beer!) You can watch TV on your phone. You can use a magical infrared beam to send data directly to another phone even when there is no reception. Plus, the top of the line models you can

even use to talk to other people like a telephone! And all of these functions were available before the phones were "smart."

Recently I've been enchanted with the voice recognition option on my smartphone. This function is very useful in a country where greetings and pleasantries are an important element of even online communication. For example, rather than tediously typing in "Thank you for your kindness," I simply enunciate the words slowly and carefully into my phone which then helpfully renders them into text as "Hand food more princess." I can only hope my phone recognizes the curse words I then scream at it in frustration.

Not all Japanese machines are particularly high tech but they are designed with an extra touch of considerate helpfulness. Trucks all over the world will beep at you when they back up. Here, however, they not only beep but announce pleasantly, "Turning left," or "Backing up now!" in a gentle feminine voice that belies the fact that 2 tons of metal are headed for your poodle.

It's not just trucks. The incarnation of mechanical courtesy as a talking machine is practically ubiquitous.

Automatic doors in stores call out "Trasshaimase!" when customers come in. To a customer this means "Welcome," but as I learned from a friend who runs a local convenience store, to the shop staff it also translates as "A potential shoplifter has arrived."

Vending machines talk. Some in more remote locales even speak in the local dialect, amusing and confusing out-of-towners. The signs at bus stops pipe up to let you know when the bus has left the previous stop. Moving sidewalks and escalators inform you when their job is ending and you are about to have to start burning calories again. Ticket machines, subway gates, trains, rice cookers, parking lot barricades, gas pumps, traffic signals. They all just chat away. Japanese people themselves are famously quiet in public, but their machines are surprisingly garrulous. Ironically, in a crowded elevator, often the only thing talking is the elevator itself.

I guess I should not be surprised by the technology in Japan. These are the same people who improved the lives of millions by putting sushi on conveyor belts and alien-grabbing grappling hooks in video game arcades, by creating robot dogs and egg-shaped electronic pets on key chains. Their innovative drive and creativeness is unparalleled. Yet nevertheless, I find myself amazed and amazed again. I can spend hours just walking around Tokyo looking at all the cool new stuff. Of course, it's probably only a matter of time until they make a machine that will do that for me, too.

Amazing Japan
by Patrick Harlan

Taste of the Four Seasons WAGASHI



HANAGOROMO(bottom), HANASHOBU(right), HANAIKADA(top).

Artistic Gourmet : The Beauty of Japanese Confections

HANAIKADA, HANAGOROMO, HANASHOBU. Do you know what these Japanese terms mean? Not many Japanese do either. In order, these words mean a fallen cherry blossom petal floating by on the surface of a river, a kimono worn for flower-viewing, and the blossom of an iris. But this isn't an introduction to good-old Japanese sayings! These are all names given to Japanese confections.

Japanese confections, or wagashi, with their elegant form and delicate sweetness, share an inseparable connection with the art of Japanese Tea Ceremony. In the 15th-16th centuries, Sen no Rikyu and others like him drew upon the teachings of Zen Buddhism, leading to the creation of a ceremony for serving and drinking tea known as "Cha no Yu". A number of styles and variations of this ceremony have also been established. During the ceremony, guests are served Japanese green tea, or matcha, alongside wagashi. The confections serve to draw out the flavor of the tea while also expressing the theme of the event.

"In tea ceremony, the tools are decided by the theme. With that in mind, we make confections for each ceremony after consulting with the host. It is important that the confections do not overlap with the tools. For example, if any of the utensils are decorated with chrysanthemums, we will not include them in the cake. The wagashi must be in tune with the theme and complete the expression of the ceremony as a whole. That is a real challenge," says Takako Akita, of "Kikuya", a Japanese confection shop in Tokyo's Aoyama neighborhood. She runs the shop together with her husband and shop owner, Toshinori. Everyday, the chief craftsman behind the delicate confections quietly goes to work while Mrs. Akita dons a smart kimono to serve customers.

"My husband's father was the original owner of Kikuya, but he passed away when my husband was only 19. He inherited the store before having a chance to learn the craft. He had to polish his skills while relying on his father's single notebook and the strict advice of tea ceremony masters. There are many restrictions placed on the confections used in tea ceremony. The foundation is rooted in simplicity and frugality. However, when it comes to making cakes for the general public, we have a much greater degree of freedom."

The primary ingredients of wagashi are beans and

sugar. No additives are used, and each piece is sculpted by hand. As the presentation of Japanese confections is sensitive to the changing of the seasons, a single green encompasses a delicate shift from the pale hues of early spring to the verdant depths of late summer. The inside of Kikuya's showcase could easily be mistaken for a treasure chest of fine gems. Mrs. Akita admitted that tourists are often surprised by the beauty of the candies, asking "Are these really food?" She even claims there are customers who use the confections as decoration without ever eating them.

"They must be beautiful because they are confectionery! But beauty without flavor would be meaningless. In the end, I hope customers will enjoy eating these candies."

Yes, the wagashi of Kikuya present a balance between exquisite beauty and flavor. While many may be reluctant to consume such beauty, the subtle yet disarming sweetness of Japanese confections provides the perfect opportunity to taste the Japanese aesthetic of "impermanence".



Other confections made from a wide assortment of ingredients decorate the store's showcases.



Mrs. Akita explained the importance of the seasons in making wagashi.



Kashou Kikuya
5-13-2, Minami-Aoyama, Minato-ku, Tokyo
Tel. +81-3-3400-3856



calligraphy: SISYU

「夢」"Yume"-Dream

"Dreams" begin as illusions experienced while we sleep and evolve into expressions of desire to realize that which has not been achieved.

Within Japan's industries and corporations, the idea of "having a dream" has been extremely important. Though it is not common to flaunt this as a "Japanese Dream", the power of dreams has been the lifeblood of Japanese companies.

Long ago, the dream of Japanese industries and corporations was to expand sales and corporate scale. After its period of high economic growth had passed, Japan's dreams turned toward "creation", and later still to the quality of society and lifestyle. However, even with material comforts and convenience, the promise of happiness remained elusive.

Today, Japan's dreams lie in a different direction. They are dreams of "serving society". The people behind Japan's industries and corporations now find an affinity with the global movement of both nations and corporations working for the "betterment of society" as they pursue their dreams. Though the road to achieving such a goal will be difficult, there is no doubt that many Japanese have begun to believe that this is the path to happiness.