

The Stanford Silicon Valley-New Japan Project, part of the Shorenstein Asia-Pacific Research Center Japan Program was launched in 2014 in response to a heightened interest in Silicon Valley as an innovation system. The interest is not only in Silicon Valley's entrepreneurship, but how entrepreneurship fits into the broader economic structure. Over the past few years, Silicon Valley has witnessed a new wave of Japanese startups (entrepreneurs, successful startups from Japan). This trend has occurred within the context of increased importance of innovation and entrepreneurship in Japan. A key challenge is not simply to try to duplicate the ecosystem, but to figure out how large firms, fast-growing large startups, and emerging startups can "harness" the Silicon Valley ecosystem.

Research and Program Activities

Program activities include a Public Forum Series with networking, outreach symposia and conferences, policy research and implementation as well as research and public output. The mission of the Project is to provide the intellectual background, analytical perspectives, and create knowledge and research while becoming a platform for dense interpersonal relations to enable Silicon Valley to benefit from Japan, and for Japan to better harness Silicon Valley.

Stanford Silicon Valley-New Japan Project Year End Report

Stanford | Japan Program
Shorenstein APARC

Message from the Project

We have much to be thankful for as 2018 rolls to a close. Stanford SV-NJ Project continued its activities as a sustained platform for interaction between Stanford, Silicon Valley, and Japan, and we feel our message and activities are being heard by an ever-increasing number of Japanese firms, as well as various firms and communities in Silicon Valley. As you will see in the following pages, we were busy—but we still had fun. There is still a lot to be done for Japan to more effectively harness Silicon Valley, and for Silicon Valley to benefit from more effective ties to Japan, but we feel we are getting traction.

Our highlight event was the Silicon Valley – New Japan Summit in November, co-produced by Ishin and supported by the Japan Management Association. The summit at Stanford brought 85 Silicon Valley startups to meet with 400 people from 150

Japanese companies, with about half of the Japanese participants coming directly from Japan for this event. The first day was a teach-in, with keynotes, fireside chats, and panels featuring Japanese firms engaged in efforts to harness Silicon Valley. We learned many lessons from the efforts of these Japanese companies, and we will be writing up details in our own report, as well as several media outlets in Japan, academic publications, and a few other places. As a pre-event, we did a 400+ person half day event in Tokyo in July. You will hear from us a lot in 2019.

We were delighted to host a variety of fascinating and stimulating guest speakers for our public forum series. Videos from most of the talks are posted online, and we hope you have a chance to view those you find interesting but were unable to attend. Part of the purpose of the public forum series is to build sustained interpersonal

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Stanford Silicon Valley - New Japan Project

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networks, and we were delighted to see a mix of new and returning attendees at each one.

We have several main streams of research and outreach. One is understanding how Japanese firms can better harness Silicon Valley. We are currently collecting cases of large companies and will be writing them up in various places. To understand how to harness Silicon Valley, we need to understand how Silicon Valley itself works, and we engaged in numerous outreach activities, many in collaboration with entities in Japan. One highlight was a talk in Tokyo organized by the Canon Institute of Global Studies, where we addressed over 400 people to talk about Silicon Valley. We also participated in numerous summits in Tokyo organized by Nikkei; the Fintech Summit (Fin/Sum), Agritech Summit (Ag/Sum), and Mobility and Transportation Technology Summit (Tran/Sum). These summits bring large Japanese companies together with numerous startups from all over the world, along with government officials, scholars, NGOs, and other participants. Some thoughts about regulation technology gained from the summit were included in a publication compilation by the Nippon Institute for Research Advancement. The “worst practices” for Japanese firms attempting to harness Silicon Valley was a popular Ishin article series that has made its way around large Japanese companies. Another research area is analyzing

Japan’s startup ecosystem. We produced book chapters, working papers, and have a book underway. We also have cases of Japanese startups in Silicon Valley we are in the process of updating. We are finding that both observers outside Japan, and those within Japan in large companies tend to underestimate how much the ecosystem has evolved over the past two decades. In a NIRA opinion paper, SV-NJ asked the question: “Is the lack of unicorns in Japan bad news?” The contention is that twenty years ago, the extreme difficulty for startups to IPO in Japan was a major challenge, but after significant changes, it is now being criticized for being too easy to IPO (at a small scale). The next step may be to focus on large IPOs, but we should not forget that there has been a substantial improvement in the environment so far.

Artificial intelligence and the future of work and labor is another area we are working on. In collaboration with the Berkeley Roundtable on the International Economy, we held conferences in the Bay Area, as well as Finland and Germany. One of our supporters, Komatsu, provides a very interesting paradigm of “upskilling” workers. Their IT systems embedded into construction machinery enables inexperienced operators to perform tasks previously possible only by highly skilled workers. This gained substantial attention from our various European collaborators, as well as those engaged in debates in the

US. We also hosted a visit from Danish Minister of Labor, along with Denmark's union leaders about this topic, presenting the situation in Japan with a backdrop of other parts of Asia, and learned about their stance of continuous education.

Women in the workforce is a critical area where both Silicon Valley and Japan need much improvement. We held a major conference, in partnership with the Tokyo Metropolitan Government's initiative, the Acceleration Program for Women in Tokyo (APT), along with Tohatsu Venture Support, at Stanford in August. We were able to draw upon talent from both Japan and Silicon Valley, with a variety of fireside chats, panels, and startup pitches. The purpose was not only to share information and learning to both sides, but also create interpersonal networks and gain skills through a workshop on personal branding and value. For both Silicon Valley and Japan to unlock further value and drive new innovations, it is clear that both sides need to far more effectively empower and draw upon the strength and capabilities of women. We were happy to engage in efforts that support and stimulate both students and Japanese companies. We held two ideathons, one with the airline ANA and one with Canon. Students formed teams and competed to come up with creative ideas based on the questions given. The winning teams were given prizes by each of the companies, and we were delighted to open the

competitions to both Stanford and UC Berkeley students.

We also deepened our educational commitment to students, deepening ties with the Stanford Program on International and Cross-Cultural Education (SPICE) for their e-Japan course, an online course for high school students in Japan about various facets of the US-Japan relationship.

Research Scholar, Jaclyn Selby, continued to work very closely with Mistletoe Inc. and its new foundation, Mistletoe Foundation, a pioneering effort to link startups with advanced degree holders in universities across a broad range of socially critical impact areas. She ran a number of programs over the summer in Tokyo, and we look forward to a major collaborative event in May 2019.

We would like to sincerely thank the various companies who supported SV-NJ this past year. At the Diamond level: Kozo Keikaku Engineering, Future Corporation; at the Platinum level: Komatsu, Mistletoe; at the Gold level: Canon, JX Nippon Mining & Metals, Mitsubishi Heavy Industries, World Innovation Lab; at the Silver level supporters, AAKEL, ANA, Daikin, Denso, Kawasaki Heavy Industries, Mitsubishi Corporation, Musashisakai Driving School, NEDO, NTT Comware, Panasonic, Rakuten, Sumitomo Mitsui Banking Corporation, TechFirm Group, and Tokio Marine Group. We also thank

our strategic partners, BaySpo, Ishin, and Industrial Growth Platform, Inc. for their continuous support. And it goes without saying that SV-NJ is possible only thanks to the unwavering support of the Shorenstein Asia-Pacific Research Center.

Finally, I would like to express my sincerest and most heartfelt gratitude to our hardworking staff, Amanda Stoeckicht, Elin Matsumae, and Meiko Kotani, without whom this project would not have been able to accomplish anything close to what it has.

On a personal note, it has been more than rewarding for me to have the privilege to grow this project linking Silicon Valley, Stanford, and Japan. Raised in Japan with a Japanese father, American mother and having attended Stanford as an undergraduate, with a longstanding interest in technology, business, and political economic structures, I feel like I was born and raised to do this type of bridge-building activity. I am delighted that our activities seem to be valued by a variety of actors, and we are committed to going full steam ahead into the next year.

Kenji Kushida

Research Scholar, Shorenstein APARC Japan Program
Stanford Silicon Valley-New Japan Project Leader



Public Forum Series

Approximately once a month, the Stanford SV-NJ Project holds public forums that explore issues of interest relating to innovation, entrepreneurship, and the Silicon Valley – New Japan relationship. Videos of all our public forums this year are available online. Our public forums are focused on four general topics: Spotlight Japanese Startup, Innovation and Silicon Valley, Harnessing Silicon Valley, and Towards a New Japan.

An Insider's Vantage on 20 Years of Japan's Startup Ecosystem, its Current Challenges, and Attempts to Harness Silicon Valley

November 27, 2018

Hiroaki Yasutake, Co-founder and CSO, Junify, and former CTO, Rakuten



A New Perspective on News: The Smartnews Approach and Political Balancing

October 16, 2018

Main Speaker: Yuhei Nishioka, Director of Product Management, SmartNews

Introduction by: Rich Jaroslovsky, Vice President for Content and Chief Journalist, SmartNews and Former Wall Street Journal White House Correspondent

[\[Video\]](#)

Harnessing Silicon Valley: The Strategies, Structures, and Activities of Innovative Large Japanese Firms in Silicon Valley

September 27, 2018

Kenji Kushida, Research Scholar, Shorenstein APARC Japan Program and Stanford Silicon Valley-New Japan Project Leader

[\[Video\]](#)

Towards a New Japan: Connecting Japan's Biggest Challenges with Global Technology Solutions

May 21, 2018

Allison Baum, Co-founder and Managing Partner, Fresco Capital

[\[Video\]](#)



The Rise and Fall of Giants: ICT Disruptions from Silicon Valley, Nokia, China, and Japan

April 4, 2018

John Zysman, UC Berkeley

Yves Doz, Insead

Amy Shuen, Hong Kong University

Kenji Kushida, Stanford University

Public Forum Series

Leveraging Skills and Experience of Senior Professionals for Social Good: Nonprofit Innovation and Implications for Japan

March 12, 2018

Ulea Lago, Director of Consulting, Empower Success Corp

[\[Video\]](#)



Managing “Sleep Debt” for Better Performance and Health: Introducing the Stanford Method for Ultimate Sound Sleep

February 15, 2018

Dr. Seiji Nishino, Professor, Stanford Department of Psychiatry and head of Stanford Sleep and Circadian Neurobiology Lab

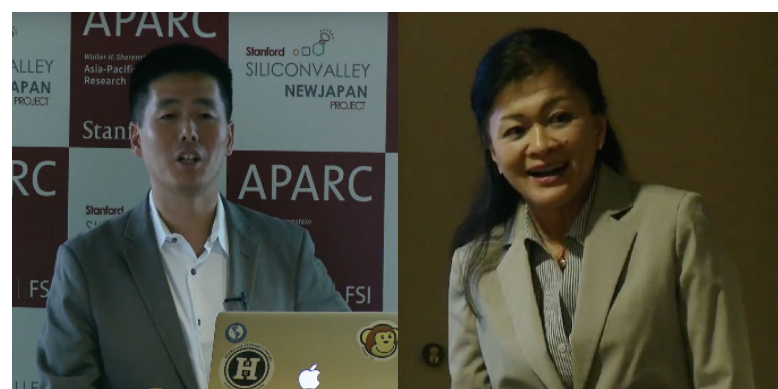
Voice4u and Social Innovation: How Innovative Technology Enables a New World for People with Autism & Special Needs

January 30, 2018

Yumi Kubo, co-founder and CEO, Spectrum Visions Global, Inc.

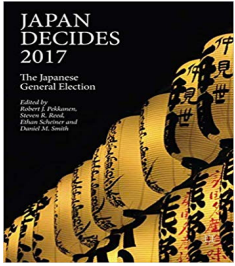
Sei Higuchi, Ph.D., co-founder and CTO, Spectrum Visions Global, Inc.

[\[Video\]](#)



Research and Publications

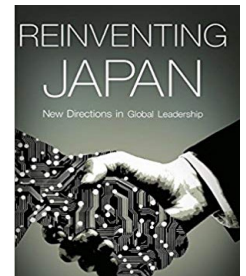
Kushida, Kenji E. 2018. “[Artificial Intelligence: The Algorithmic Revolution Driving the Next Industrial Transformation.](#)” SVNJ Working Paper Series.



Kushida, Kenji. “Abenomics Third Arrow: Fostering Competitiveness?” in [Japan Decides 2017: The Japanese General Election](#), edited by Robert J. Pekkanen, Steven R. Reed, Ethan Scheiner, and Daniel M. Smith. Cham, Switzerland: Palgrave Macmillian, 2018.

Kushida, Kenji E. 2018. “[Abenomics and Japan’s Entrepreneurship and Innovation: Is the Third Arrow Pointed in the Right Direction for Global Competition in the Digital Era of Silicon Valley?](#)” SVNJ Working Paper Series.

Kushida, Kenji. “Departing from Silicon Valley: Japan’s New Startup Ecosystem” in [Reinventing Japan: New Directions in Global Leadership](#), edited by Martin Fackler, Yoichi Funabashi. Santa Barbara, CA: Praeger, 2018.



Stanford SV-NJ in Media

November 12, [Interview](#) on NPR Marketplace

November, Nikkei Top Leader, quote featured in a [new report on Silicon Valley](#) (in Japanese)

November, NIRA, “[Is the Lack of “Unicorns” in Japan Good News or Bad News?: Injecting a historical institutional perspective into debates about Japan’s ecosystem](#)” (also available [in Japanese](#))

June, Marketing Horizon, “[Defying the Impossible](#)” (in Japanese)

May 29, NewsPicks, “[Explaining Various Aspects of Stanford University to Japan](#)” (in Japanese)

April, NIRA Regtech Report, “[Harnessing Regtech’s Immense Potential](#)” (in Japanese)

March 12, Nikkei BP Online, “[Rethinking ‘Work’](#)” Interview by Musashi Sakai Driving School President, Aki Takahashi (in Japanese)

January 16, The Canon Institute of Global Studies, “[A Framework for Thinking of AI Diffusion: In Search of High Value Added for Japan](#)” (in Japanese)

January 15, The Canon Institute of Global Studies, “[Regtech’s Great Potential While Avoiding the “Weapons of Math Destruction” Pitfall](#)”, (in Japanese)

January 2, Weekly Economist, “[Silicon Valley: The Accelerating Algorithmic/AI Revolution.](#)” (in Japanese)

Outreach and Conferences

Silicon Valley - New Japan Summit 2018 (Stanford)



On Monday, November 5 and Tuesday, November 6 Stanford SV-NJ hosted the third annual Silicon Valley - New Japan Summit here at Stanford University, in partnership with Ishin USA.

The first day featured panels and keynotes that shared tips and anecdotes aimed at helping Japanese companies better harness Silicon Valley, and a full second day of startup pitches and booths for Japanese firms and Silicon Valley startups to meet and engage in business development. With nearly 600 attendees, this year's summit has been the largest so far.

A longer event report is forthcoming.

If you are interested in supporting next year's Summit, please contact Kenji Kushida at kkushida@stanford.edu.



Outreach and Conferences

Break Through: Women in Silicon Valley, Womenomics in Japan

On August 9th the Stanford SV-NJ hosted the “Break Through: Women in Silicon Valley, Womenomics in Japan” conference with support from the Acceleration Program in Tokyo for Women (APT) organized by Tohmatu Venture Support and the Tokyo Metropolitan Government. This conference was the second installment of a conference around issues of gender equality and women’s empowerment in the workplace in Silicon Valley and in Japan.

This year’s conference featured an all-female speaker list, and was focused on empowering women to build networks and skills and to receive inspiration. In the morning, speakers spoke candidly about the challenges that women face in the workplace, and about the progress that has been made. 9 innovative startups founded by women entrepreneurs in both Japan and Silicon Valley were showcased in the afternoon, and conference participants concluded the day by engaging in a participatory exercise designed to help attendees identify and leverage their personal brands to effectively lead and get results.

Full conference report [available here](#).

If you are interested in supporting next year’s Women, Silicon Valley, and Japan conference, please contact Kenji Kushida at kkushida@stanford.edu.



Outreach and Conferences

Silicon Valley - New Japan Summit 2018 Tokyo

On June 21, Stanford SV-NJ and Ishin co-hosted the Silicon Valley-New Japan Summit 2018 Tokyo. The conference featured panels on Silicon Valley disruptions, CVC, global innovation strategies, and strategies for collaborating with overseas startups.



Outreach and Conferences

Technology and Labor Market Disruption: Discussing Danish Perspectives with Silicon Valley and Asian Country Input

On Monday, March 5th, the Stanford SV-NJ hosted the Danish Minister of Employment, Troels Lund Poulsen, and top Danish labor union representatives for a small closed group discussion about labor disruption in the digital era.

The Danish government is currently working on a year long project on the future of work. The question of how technology can change the labour market is prominent in the political and policy discussions. The Danish government has set up a “disruption” council to handle these issues and specify policies to meet the challenges. The Danish government has had a strong tradition of working with labor unions and businesses to face new economic challenges. During this session, the Minister and Labor Leader each spoke about labor disruption in the Danish context, and discussed Denmark’s efforts to effectively implement technologies and embrace the future in a way that is inclusive of everyone.

The acceptance of new technologies and the ways in which they are implemented varies greatly from country to country. APARC faculty and members of the audience offered similar as well as differing viewpoints from Silicon Valley and from Asian countries such as South Korea and Japan. Several major themes to emerge from this conversation were: labor replacement vs. labor augmentation, structuring and implementing lifelong learning, and implementing new social welfare systems for a future with vastly different employment structures.



Outreach and Conferences

Canon Ideathon 2018



On March 8, the Stanford SV-NJ in partnership with Canon, hosted the Canon Ideathon 2018.

With the spread of smartphones and the evolution of imaging experiences, the usage of compact digital cameras has decreased. For this ideathon, Stanford university students were asked to envision and design the future of imaging experience and image capturing.



On the day of the event, seven student teams pitched their ideas to a judge panel made up of venture capitalists, and Canon executives.



Outreach and Conferences

ANA Ideathon 2018



On February 12, 2018 the Stanford SV-NJ hosted its third ANA Ideathon, co-sponsored by World Innovation Lab (WiL), ANA, and Ito En.

This year, Stanford university students were invited to reimagine, redesign, and upgrade the airport experience.

Six student teams pitched their ideas to a judge panel made up of venture capitalists and ANA executives. ANA contributed popular prizes for 1st, 2nd, and 3rd place winners.



Outreach and Conferences

- December 13, 5th R&D Management Committee keynote, Tokyo, Japan
- December 12, Canon Institute for Global Studies Kenji Kushida Seminar, Tokyo, Japan
- December 11, GINZA X TECH, Tokyo, Japan
- December 4, SMBC Dallas office opening ceremony, Dallas, TX
- October 2018, Opening ceremony of Digital Labor Market Think Tank, roundtable, Germany
- August 30, Business & Work in the Era of Intelligent Tools, Helsinki, Finland
- June 22-24, G1 New Leader Summit 2018, Karuizawa, Japan
- June 11-12, Nikkei Agritech Summit 2018, Tokyo, Japan
- April - September, Stanford e-Japan Spring 2018 Session, in collaboration with Stanford Program on International Cross-Cultural Education (SPICE)
- April 24, The Canon Institute for Global Studies Kenji Kushida Seminar, Tokyo, Japan
- March 23-25, Trilateral Commission, Singapore
- March 7, SVJP Benkyokai: Japan's New Startup Ecosystem and Large Corporate Innovation: Why Japan (still) Matters in Global Competition



12/13



12/11



12/4



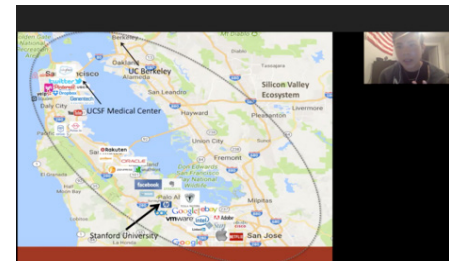
8/30



6/22-24



6/11-12



April-September



4/24



3/23-25



3/7

Case Studies

The Stanford Silicon Valley-New Japan Project case studies are motivated by the observation that there were few systematic analyses of Japanese startups in Silicon Valley. By gathering cases, we hope to identify useful experiences and lower the bar for new waves of entrepreneurs and startups from Japan.

Case studies of the following start-ups are available with more underway.

- [Drivemode](#)
- [FlyData](#)
- [FRONTEO](#)
- [Mercari](#)
- [SanBio](#)
- [Sigmax Technologies](#)
- [SmartNews](#)
- [Spectrum Visions Global](#)
- [Techpoint](#)
- [Treasure Data](#)
- [WHILL](#)

DEFINING “JAPANESE STARTUPS IN SILICON VALLEY”

We define the “Japanese startups in Silicon Valley” to be the for-profit business entities that satisfy all the following three conditions:

- 1) At least one of the founders held Japanese citizenship when the entity was established.
- 2) The entity is venture capital financed or potentially attractive to venture capitalists
- 3) The entity has an office in Silicon Valley, which is defined to include the broader Silicon Valley, encompassing Santa Clara, San Mateo, San Francisco, Alameda, and Contra Costa counties.

LIST OF JAPANESE STARTUPS IN SILICON VALLEY

[Japanese Startups in Silicon Valley](#)

Researchers and Staff

The core researchers of the Stanford Silicon Valley-New Japan Project are **Takeo Hoshi**, Director of the Japan Program at the Shorenstein Asia-Pacific Research Center (left), **Kenji Kushida**, Stanford Silicon Valley-New Japan Project Leader and Research Scholar at the Shorenstein APARC Japan Program (center), and **Jaclyn Selby**, Research Scholar at the Shorenstein APARC Japan Program (right).



Program Staff

Meiko Kotani (Left)
Amanda Stoeckicht (Center)
Elin Matsumae (Right)

Supporters

We thank all the Stanford SV-NJ supporters for their ongoing contributions and collaboration.



FUTURE[•]

KOMATSU



Canon

Supporters con't



A STAR ALLIANCE MEMBER 

