

"The newspaper business still has a few years left here"

Interview with Yukiko Ogasawara,
president of the Japan Times.

by Tony McNicol



Yukiko Ogasawara and
The Japan Times in print

Things could hardly have been worse when Yukiko Ogasawara became president of the Japan Times last March. She faced the aftermath of wide-ranging job cuts, a precipitous drop in the newspaper's circulation, and fierce, growing competition from Internet news sites, expat bloggers and the rest of the so-called new media.

Her father, Toshiaki Ogasawara, the chairman of plastic parts and components manufacturer Nifco Inc., bought the Japan Times in 1983. This year *The Japan Times* celebrated its 110th anniversary. Daughter Ogasawara says she is determined to increase circulation and put the paper back on a firm financial footing. But with the Japan Times losing money, and far more commercially successful print media also feeling the pinch, is

it even worth trying?

Blogger Debito Arudou recently triggered a lively debate with an impassioned plea for the Japan Times' survival. He argued that the broadsheet had a special role to play as the "only independent newspaper in Japan." Putting the opposite case, Mark Devlin, publisher of the Japan Today news website recommend people "just let the damn thing die ... there is a slim possibility that some new blood would come along and resuscitate it."

So which is it? Is the Japan Times a dinosaur doomed to extinction or a phoenix about to rise from the ashes of the print media? The No. 1 Shimbun recently spoke to Yukiko Ogasawara in her office.

You have just put your price up. Isn't that a strange thing to do when circulation is already dropping? Good things don't come cheap. In 2001 our subscription price was about ¥100 more than it is now. We dropped the price when the International Herald Tribune came in 2001. [Now] we have to recover our costs, so we have just brought it back up to what it was.

I do feel confident that people who really know us know that we have the best writing and a more independent viewpoint compared to the Asahi and Yomiuri. They don't have reporters that actually run around gathering stuff. It's all taken straight from the mother paper. People can see that difference.

But is it true that your circulation has halved in five years?

That's not quite true. It's been [on] a downward trend for the last 5 years for sure. The severe downturn for this company happened in about 2001.

Is it still going down?

We are pretty much plateau-ing on the bottom. Hopefully we won't go down any more than this. We are trying to put our brakes on. Our highest ever circulation was 74,000 in 1991.

Now our ABC circulation is 40,000. We'd like to keep it at 40,000 and take it up.

WE WANT TO DO THINGS THAT THE JAPANESE MEDIA ARE AFRAID TO DO, OR DON'T WANT TO DO

What makes the Japan Times different from other newspapers in Japan?

I think the most important thing for us is that we are the most independent English newspaper in Japan. Our parent company has nothing to do with newspapers and nothing to do with the media world. Essentially we run ourselves.

Japanese media, I think, are traditionally known to be very complacent, and toe the government or business line. We like to think that we have a different perspective from the Japanese media.

Who are your readers?

Our readership is about half Japanese and half non-Japanese, [although] the balance tips this way and that. The Japanese readers are highly skilled in English and many are retirees with a lot of time. They are kind of a special group for their age. They have a high interest in English and they are less conservative than their peers.

How many reporters do you have?

We have 15 Japanese reporters on our domestic desk; they are our breaking news team. In the heyday of the Japan Times there were far more; we are a skeleton crew right now. It's a very tough time for daily papers.

The quality of the people we have here is amazing, especially the Japanese people. They are all from Oxford, Harvard, Stanford, Columbia Journalism School. They are highly bilingual.

All of our editors are native English speakers. We have just one non-Japanese general reporter. It is harder to find non-Japanese with high levels of Japanese than Japanese with high levels of English.

It's not just the JT though, is it? Why do

you think newspaper circulations are dropping?

It's too easy to just say the Internet, although that is a big reason. I think the biggest reason is that technology has allowed new things to happen. It's not just the internet, it's cell-phones, Palm Pilots, blogs, the way we absorb and get information.

If that's the case, what does the Japan Times have to offer that new media doesn't?

[We can] be an interface for the public, meaning the wider world, to know about Japan in a very quick, easy and trustworthy way. With our brand we can still be a site or a paper or a blog or a keitai site or whatever it is going to be.

We pride ourselves on solid fact-finding, solid groundwork and reporting. [We want to be] a one-stop shop. We want our readers to say they can trust what these guys are saying, [and know] they will give us both sides.

Do you think the Japanese-language media is facing up to the new media threat?

As you know, Japan has the highest newspaper readership in the world. We are a very traditional society, content to stay with things that we are used to. I think that the newspaper business still has a few years left here. It's habit, comfort.

Japanese media companies are being a little bit Luddite in the sense that they understand that there is this rumbling going on all around them; I know that they are feeling it. [But] it's as if there is this great tsunami warning - I don't know if they will move fast enough.

Do you have podcasts, a cell-phone site?

We have a few experimental podcasts for the *Shukan Weekly*, but we don't have the technology and people to set it up at the moment. We had a mobile-phone site before, but we decided to stop it because we need to re-conceptualize what we are doing exactly. It was just our articles on a keitai. We need to redo the whole thing.

Your internet archive is a fantastic resource, and a free one at that. Is it going to stay free?

My philosophy right now on that is yes. I see other sites around us that are trying to charge, and it doesn't seem to really quite work. What we need to do is raise our page views, visibility and search-ability. Web 2.0 now is all about networking, being available. We might charge companies, but I think "free for consumers" is going to be the model.

The bottom seems to have dropped out of the newspaper classified-ads market. Can you

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replace that income?

Basically, I'm not looking so much at how to keep raising revenue from our newspaper, per se. I am looking to make it a bit better and bring in some new readers. I would like to bring that circulation back to a state where it can sustain itself, because to be honest, it's not sustaining itself. The cost of production is higher than what we are selling right now.

We really shot ourselves in the foot because we didn't move fast enough earlier. We are playing catch up. We didn't quite understand the trend of classifieds that were combined not only with the Internet but these full employment services like Daijob and all the other sites.

[But] we are somewhat diversified. We have a publications department. We have a good reputation and a possibility to go forward into education areas. I want to balance our business through other means than just the newspaper.

You also hold a seat on Nifco's board. How committed is Nifco to the long-term future of the Japan Times?

It depends who you ask. If you ask me, very very passionate about this project. Nifco is a \$1.1 billion company, but nobody knows who we are. Unless you are in the industry you really don't know what Nifco is. What the Japan Times allows for Nifco is a certain exposure and connection to the society of Japan. And you have to understand that the Japan

Times is just a tiny part of Nifco's business.

Where do you want the Japan Times to be five years from now?

On paper we want to service the local community, and through the online site service the wider world. To become the absolute number-one source on Japan would be great.

I want domestic news to be our strength, so that as an outsider looking into this country you can get the nuances of why things happen, or, as a Japanese, more about what is really going on: what is the Asahi not telling me? What is the Yomiuri not telling me? We want to do things that the Japanese media are afraid to do, or don't want to do, or don't want to look back on, or see. ❶

Terrie's Take Two

One of the pioneers of English-language publishing in Japan discusses why he decided to buy Metropolis magazine, but not online news site Japantoday.com.

by Peter Fuchs



Opposite, Terrie's two, Metropolis and Japan Inc. Above, Terrie Lloyd

"Well, here we are at the twilight of analog media," your correspondent says, as he fumbles with the old cassette-recorder he last used around 1991, for an interview with the late Den Fujita, billionaire founder of McDonald's Japan.

"That's all right," says Terrie Lloyd, "I still use one of those, exactly the same kind." Now 49 and father to five girls, the New Zealand-born, Australia-raised Lloyd has been a fixture of the English-language publishing scene in Tokyo since he launched his first magazine, the monthly *Computing Japan*, in 1994. As the Internet boom gathered speed in 1999, he revamped it as *J@pan Inc*, a magazine which today survives as a bi-monthly.

He has now become an even bigger presence following his purchase in the fall of 2007 of *Metropolis*, the widely read free weekly which claims an ABC-audited circulation of 30,000. Add to that the 25,000 copies of *J@pan Inc* that Lloyd says he pub-

lishes ("I will probably have it audited as well") and he can honestly boast that he is the leading publisher of English-language periodicals for the Japanese market.

"I am really a nuts and bolts guy," he says with his trademark smile, a product of his boundless optimism and hard-earned experience gained from launching, building and in some cases selling companies. And of course he has survived the lean times since the bubble burst. "I have sold five (companies) in the past ten years, and *Metropolis* is actually the first I have bought instead of starting on my own." The magazine was the inspiration of Mark and Mary Devlin, who pioneered the free classified weekly format in Japan – ahead of media giant Recruit Ltd. – which Lloyd believes borrowed much from the Devlins when it created its own free town magazine *Hot Pepper*.

Asked whether he considers himself a publisher, blogger, or businessman, Lloyd says "all of the above, but I am really an entrepreneur at heart." He is in fact a serial entrepreneur who has started as many as 20 companies since he first arrived in Japan 24 years ago, and teaches business seminars to impart much of what he has learned to other hopefuls. An example: "Do you know who is the lender of last resort to businesses here in Japan?" he asks, triggering visions of punch-permed loan-sharks but no, wrong guess. "The tax office! You can get a tax holiday at very favorable rates – 14%!" A valuable insight even to this jaded observer.

Lloyd was also an Internet pioneer who was able to leverage its reach and interactive features in 1998 to create online recruiting company *DaiJob* (a play on the words

"you're OK" in Japanese), which he sold to a TSE-listed diversified services company called Human Holdings, Ltd. in 2005.

Yet, when negotiating with the Devlins for the purchase of *Metropolis*, Lloyd turned down the chance to also buy their on-line news site *JapanToday.com* and he says he helped broker the sale to GPlus Media, an Internet media company with offices in Japan and China. Why keep the print publication and turn down the online one?

Says Lloyd, "The logic is simple – the online readers are mostly offshore, and I was looking for a Japan-based audience." Did not the fact one has stronger cash-flow than the other influence the decision? "Yes, of course it did." Again that smile.

But beyond the valuation decision, Lloyd has clear views on the issue of print versus online, and on the notion that print might be headed the way of the manual typewriter. "There is no simple either-or decision; print and Internet are two sides of the same coin." Having seen what the Internet can accomplish, he regards it as an extension, not a replacement, for the brick and mortar business model, or in the case of magazines, the printed-paper business model.

"I look at *J@pan Inc* as a platform for developing a variety of services that tap the same reader interest in learning how to do

"ONLINE IS NOT THE DEATH OF PRINT, IT IS AN EVOLUTION, AN EXTENSION, A REPOSITORY."

business in Japan. Print media like *Japan Inc.* and now *Metropolis* provide a kind of funnel," Lloyd says, drawing a mental illustration which your correspondent dutifully sketches in his paper-media notebook. "What do you mean by funnel?"

"Well at the broad end it is open to everyone with an interest in these topics, whether they may be business, entertainment, or classified ads. In a way it is like a fishing net, it brings some readers further down into the narrower part where can provide a variety of services – directories, seminars, "best-of" awards and the like."

As for the notion of "church and state" which signifies the sanctity of editorial

judgment free from interference by publishers and

owners, Lloyd has his own take as well. His

popular weekly email newsletter

"Terrie's Take," which reaches

an au-

dience of some 12,000 readers – including many journalists, he adds – grew out of a suggestion in 2000 by his then editor at *J@pan Inc* Steve Mollman, to keep his own views as publisher separate from those of the magazine.

But by the same token, Lloyd points out, everything that gets into print has a bias, if not the owner's, then the writer's. "I am in magazines – so the journal-of-record obligation that a national newspaper would face is less apparent. To me the magazine is a marketing front-end for a larger information factory – which might include events, blogs, podcasts and on-line utilities for social networking."

Rightly so. As for newspapers, what does Lloyd himself read? "The *Daily Yomiuri*."

Not because he agrees with the views of its owner, the conservative mass-market vernacular daily, but because it provides a great mix of material from overseas papers such as the *Washington Post*, *L.A. Times* and *The Times* of the UK. Is there money to be made publishing an independent English-language newspaper such as the *Japan Times*? "I am not sure," he says, but if one were to be offered for sale, I would likely be interested in having a look."

As the interview draws to a close, it is clear that Lloyd is still itching to get a word in, despite having provided a cogent explanation of his views ("I had my comeuppance when the Internet boom crashed" he even admits at one point, and the only way to keep *J@pan Inc* alive was to shift to a quarterly edition. "I had to do a lot of soul-searching as a result.")

But it is the premise that print is dead that elicits his closing observation. "On-

line is NOT the death of print, it is an evolution, an extension, a repository. True – you probably can't have

print only. But there is nothing like print to establish a certain

tone, a brand. Print has sex appeal, and it is hard to have quite

the same impact

online." ❶

