

LETTER

GraSPP
THE UNIVERSITY OF TOKYO

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Departure to a New World

~AY2019 GraSPP Autumn Diploma Presentation Ceremony~

The AY2019 GraSPP Autumn diploma presentation ceremony took place on Friday, September 13 at SMBC Academia Hall, International Academic Research Building.

56 students were conferred the diploma this September. The diploma was presented by Prof. Akio Takahara, the Dean of the Graduate School of Public Policy, who congratulated the students on their completion of the program together with family members and GraSPP faculty.

The commendation ceremony for high-achieving graduates was also held. The Best Performance Award was presented to one student and the Outstanding Performance Award was presented also to one student.



Message from the winner of the Best Performance Award

Goong Hong TAN

Class of 2019, MPP/IP



Mr. Goong Hong Tan (front row center)

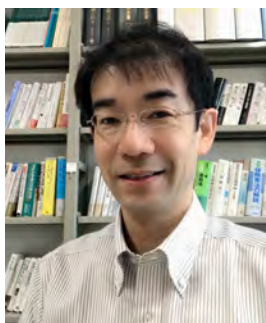
As I look back on my time spent in GraSPP, I can hardly believe that two years have gone by so quickly. While I have had many wonderful experiences, for the sake of brevity I would like to highlight what I will miss the most. The diversity of courses on offer at GraSPP is one such experience. Thanks to the bevy of classes on offer, I have been free to study broad, complex topics such as international relations while still being able to explore specific areas such as financial regulation. Furthermore, class discussions are always fruitful - owing to the excellent quality of instruction as well as the diversity of the student body. In fact, whether in class or outside, I have learned much through conversations with friends and colleagues who come from different backgrounds than my own. Whether it is debating policy positions, discussing current affairs, or exchanging personal anecdotes over a cup of coffee, such exchanges have truly broadened my own horizons.

Having graduated from GraSPP (a little older and perhaps a little wiser), I would like to take this chance to appreciate my teachers, family and friends for all that they've done for me. Lastly, I would like to wish my fellow cohort-mates nothing but the best for what lies ahead!

Innovation and Venture Finance –Venture is hot in Tokyo University now!–

–From the discussion of "The Fifth Forum on Industry–Government-Academia Forum on Financial and Capital Markets"

Tomonori Yuyama
Project Professor, Graduate School of Public Policy,
The University of Tokyo



For Japan, where advocates the creation of innovation for Society 5.0, it is time for the venture ecosystem, which is the growth cycle of venture companies, to emerge. Is the necessary venture finance really functioning well, or is there a mismatch between the system and reality? This column introduces the Fifth Industry-Government-Academia Forum on Financial and Capital Markets held on July 29, 2019, under the theme of "Innovation and Venture Finance" (participants are listed below). The forum is a part of the Mizuho Securities sponsored course "Capital markets and public policy".

First, three keynote speakers raised the following questions. [1] For the human resources issue related to venture capital (VC), it is desirable to create a human resource cycle in which people who have succeeded (or not succeeded) as entrepreneurs go through venture capitalists and accelerators and work as entrepreneurs again. [2] Japanese VC investment is mainly made by financial institutions, and there are few institutional investors such as pension funds and investment funds. [3] The biggest reason of this is that VC funds are too small. [4] How about allowing securities firms to deal with unlisted stocks to increase exit options other than IPOs as a way to increase the size of venture firms' IPOs, as is the case with so-called "Unicorns"?

The biggest issue in the subsequent discussion was why institutional investors, such as pension funds, did not invest in VCs. This is a major point different from the U.S. and other startup rich countries. However, in order to attract the attention of VCs to pension funds, the "scale" is needed more than anything else. In other words, the size of Japanese VCs is too small for the size of institutional investors such as pension funds, and small IPOs continue as a result of exits by small VCs, and they are not an investment target for institutional investors. This is a vicious cycle of chicken and egg argument. Now, Softbank Vision Fund is famous as a 10 trillion yen fund, but unfortunately for a 10 trillion yen fund, Japanese venture investments are too small to be included in the fund's portfolio and most of their investments seem to be overseas.

However, there was an interesting discussion about the human resources of the University of Tokyo. Thanks to the renewed recent venture boom, the amount of venture funding has increased to several 100 billion yen, and excellent human resources are coming to join the venture in search of the leading edge activity. And the University of Tokyo is the hottest! Just a few years ago, people were recruited by saying that their salaries were low but hot, but now the situation has changed. Now that the amount of funds raised has increased, there is no need to hesitate in terms of salaries, and there is no reason not to join if you talk about hot people being able to work at the cutting edge, keeping their salaries, and having stock options and upsides. With this virtuous circle emerging, the situation surrounding venture finance in our country seems to be improving. Hopefully, this move will spur further innovation that will lead to Society 5.0.

1: For details of the event, please refer to the website of the "Capital Markets and Public Policy" sponsored by Mizuho Securities.
<http://www.pp.u-tokyo.ac.jp/CMPP/forum/2019-07-29/>
A summary appeared in "The Monthly Capital Market (October 2019)" (Publication of the Capital Markets Research Institute).

The Fifth Forum on Industry –Government-Academia Forum on Financial and Capital Markets

Attendees

Naoya Ariyoshi, Nishimura & Asahi Law Firm
Tetsuya Isozaki,* General Partner, Femto Partners
Seiichiro Iwasawa, Professor, Nagoya University of Commerce
Osaki Sadakazu, Visiting Professor, The University of Tokyo
(Nomura Research Institute)
Masaru Ono, Visiting Professor, The University of Tokyo
(Nishimura & Asahi Law Firm)
Hiroshi Kanazawa, Chuo Sogo Law Office
Hiroki Kawai, Executive Officer, Tokyo Stock Exchange
Hiroyuki Kansaku, Professor, The University of Tokyo
Shinichi Kuroda, Senior Fellow, Mizuho Securities
Atsushi Koide, Professor, Gakushuin University
Hiroto Koda,* Special Professor, Kyoto University
Gen Goto, Professor, The University of Tokyo
Takeshi Shibazaki, General manager, Mizuho Securities
Takaaki Hoda, Associate Professor, Kobe University
Masakazu Masushima,* Mori Hamada & Matsumoto Law Firm
Oki Matsumoto, President, Monex Group
Noriyuki Morimoto, President, HC Asset Management
Yosuke Yasuda, Associate Professor, Osaka University
Motoyuki Yufu, Deputy Director General, Financial Services Agency
Tomonori Yuyama, Project Professor, The University of Tokyo
(Master)

*: Keynote reporter



Visiting the Himalayas in India

— I understand you previously worked at the Ministry of Foreign Affairs?

I joined the Ministry of Foreign Affairs after graduating with a master's degree from the University of Tokyo. After two years studying in the USA, I worked for four years at the Japanese embassy there before returning to Japan. That was when I learned about the doctoral program at GraSPP. As I had always dreamed about getting a doctorate, I consulted with my superiors and arranged to enroll in the program, starting in April last year, while still working at the ministry in Kasumigaseki. While being at the Ministry of Foreign Affairs involved a lot of hard work, it felt good to be working for Japan and it was a very fulfilling job where I strived night and day alongside talented and motivated colleagues. Although I wanted to keep up both my job and my doctoral studies, it proved impractical to do this while also attending mandatory classes held during working hours. I began to realize that I was going to have to choose one or the other. A lot of the people I talked to were sympathetic, telling me that they supported my doctoral studies and suggesting that I should be able to continue without quitting my job, and I myself wanted to keep both going, but I also realized that I would need to put a lot of energy into my doctorate if I was to complete it successfully. After much soul searching, I came to a decision. I resigned at the end of May this year, exactly 10 years after I entered the ministry.

— Now that you have committed yourself to being a fulltime student, what are your plans for the future?

In academic terms, I am interested in the role that economic measures adopted for reasons of national security play under WTO rules, and how they are treated in dispute resolution procedures. Having worked in diplomacy at the Ministry of Foreign Affairs, I want to study how to reconcile within myself the things we discuss in academia alongside my own work experience. And then there is travel. When I worked at the ministry, especially during my time at the embassy, I could never go anywhere outside cell phone range because I never knew when an urgent call might come in. Now that I have my freedom, I have been able to get my fill of nature, recently going on a weeklong camping and hiking trip to the Himalayas in India. It was very refreshing to live without a mobile phone.

Student Interview No. 32

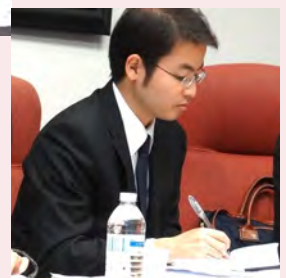
Kotaro Shiojiri (Year 2, Doctoral Program)

— Once you have achieved your dream of getting a doctorate, what comes next?

While there is no telling what opportunities might arise in the future, I want to give it careful thought. As I no longer have a clear-cut career path like I did at the ministry, I am conscious of the pressure of needing to keep knocking on doors to get them to open and of the fear of having to publish a thesis under my own name. The truth is, there are times when I am struck by anxiety about how I will get on. On the other hand, my mentors tell me I should revel in the uncertainty rather than rushing to decide what to do next, so for now I have resolved to bear with it and to give my thoughts a chance to settle. I am just grateful that there are so many kindhearted people looking out for me. This is a path I chose to follow and so it is up to me to put heart and soul into what I do so that I can lead a satisfying life. The benefits will likely take a few decades to emerge. That is why it feels like such a tough road that I have chosen to take (laughs). Once I have graduated with my doctorate, then I hope I can live up to the expectations of all those people who have helped me along the way. (Interview and text by the editor)



Another shot of the Himalayas



At work at the Washington DC embassy. He served as interpreter for VIPs from Japan.

CAMPUS Asia Field Trip Report: Hiroshima

Jae Hyeok LEE (MPP/IP, CAMPUS Asia Program)



As an East Asian Affairs major, memories of Pacific War and other regional history as well as how each nation and people remember them are crucial topic to me. With such interests, Hiroshima was undoubtedly a very interesting place for me to open my eyes and mind.

I was born and raised in Korea and received college education in the U.S. Thanks to CAMPUS Asia program, I was able to spend valuable times in China and Japan. During my time in Beijing and Tokyo, one significant factor I realized was how each nation views and remembers Colonial Period, WWII and the Pacific War. I believe these gaps are major factors that divide East Asia from cooperation and keeps three nations in distance.

From the way I see, *peace* means ‘no more Japanese aggression as well as influx of communism (from North Korea)’ for (South) Koreans. It mainly originated from the traumatic history of Japanese occupation from 1910 to 1945, and the ethnic tragedy of Korean War from 1950 to 1953. Similar but different, Chinese would define *peace* as ‘no more Western invasion’. China remembers colonial period as ‘a Century of Humiliation’. This implies that China has grown strong antagonism against the West and tries to make its own way without help or intervention of Western influence anymore.

It seems *peace* means ‘no more atomic bombs’ for Japan. It was very interesting to see how Hiroshima Peace Museum displays historical hardships. To be critical, it was disappointing a bit that the museum did not clearly indicate the cause and responsibility of the war; instead, it was fully

dedicating to show the inhumanity of A-bombs by showing the stories of the victims.

Despite my small disappointment, however, it was alarming for me to witness the victims of A-bombs in Japan. As a Korean, I have never taken Japanese victims into account when discussing the aftermath of war: Japan was closer to the term ‘aggressor’ than ‘victim’. The trip expanded my perception that the Japanese people under militaristic nationalism were also the victims of this tragic history.

However, the biggest accomplishment was the friends I made throughout this whole program. As much as I realize the gaps and distances among our nations, I believe the ties we make would be the cornerstone for better relations. The more we understand others, the higher the chances would be to shrink the gap amongst ourselves not only politically, but historically, socially and culturally as well.

The mutual trusts can be soundly made only on the firm memory of our past. The trip to Hiroshima gave me this lesson not only to my head, but also to my heart.



TOPICS

Hosted jointly by the alumni association (Tatsuoka Kai) as a University of Tokyo Homecoming Day event, the annual GraSPP Alumni & Student Day for 2019 was held on Saturday October 19, at the International Academic Research Building. This was the 13th time the event has been held, providing a valuable opportunity for current and former GraSPP students and teachers to come together and deepen their acquaintance.

<http://www.pp.u-tokyo.ac.jp/en/events/2019-09-13-21819/>



Editor's Postscript

The 2019 Rugby World Cup was held in Japan for the first time. It was also the first time that the Japanese team succeeded in making it to the final eight, sending the country into an unprecedented rugby boom. Many people were moved by how they put their full effort into collisions without being intimidated by physically larger opponents, demonstrating a willingness to sacrifice themselves for their teammates and displaying the “no sides” spirit of rugby where friend and foe alike are treated the same after the match is over. To see people making an effort and continuing to strive for some purpose beyond their own selves, whether it be for teammates, family, country, or the world, is a truly impressive sight. For those GraSPPers completing their studies this fall and going on to take their place in society, I offer my heartfelt support and best wishes for your endeavors. (Editor)

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