

UZU

Monthly
Review

Be The Center Of The Whirlpool



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Brands Are Being
Forgotten**

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Reckoning**

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FROM THE EDITOR



Paul Ashton
Founder
ULPA

Welcome to UZU Issue Number 11, and welcome to June, the month where the heat creeps in and everything in Japan starts to shimmer just a little. Golden Week is well behind us, business picks back up, and somewhere between the first cicada and the last clean shirt, summer begins to make itself known.

We open with “Fluffy Cones, Hair, and the Japanese Market,” where I look at why Dyson launches its most refined tech in Japan first. The answer isn’t market size, it’s philosophy. Japan doesn’t reward novelty; it rewards usefulness wrapped in grace. The PencilVac isn’t just a vacuum; it’s a case study in designing for reverence.

Then, in “The Archipelago of Interdependence,” we chart the quiet collapse of Japan’s old retail empires and the urgent shift from value chains to stakeholder ecosystems. What happens when the customer wants a mirror, not a bargain?

Gordon McLean returns with “When Brands Get the Connection Between How We Feel and What We Value,” a sharp exploration of why emotions aren’t just part of branding, they’re the whole point. The brands that win in Japan are the ones that understand this at the cellular level.

Elsewhere in this issue, we ride the Kuroshio current with Toshiba as it attempts a low-key resurrection in the shadows of its former self. Rory Sutherland shows up like a magician in a boardroom, reminding us that irrationality isn’t a bug in the system; it is the system. And we ask, “Who the Hell is Yusaku Maezawa?” and come away no closer to an answer, but more fascinated than before.

Also this month: Noah Smith’s “Weeb Economy” meets Japan’s refusal to scale at the expense of coherence. We then take a look at Akio Toyoda as he reabsorbs the mythos of Toyota in a \$33B move that’s less about control and more about legacy.

Thanks, as always, for reading UZU. Here’s to sticky mornings, long twilights, and the strange grace of everything that doesn’t need to shout. Let’s keep the whirlpool turning.

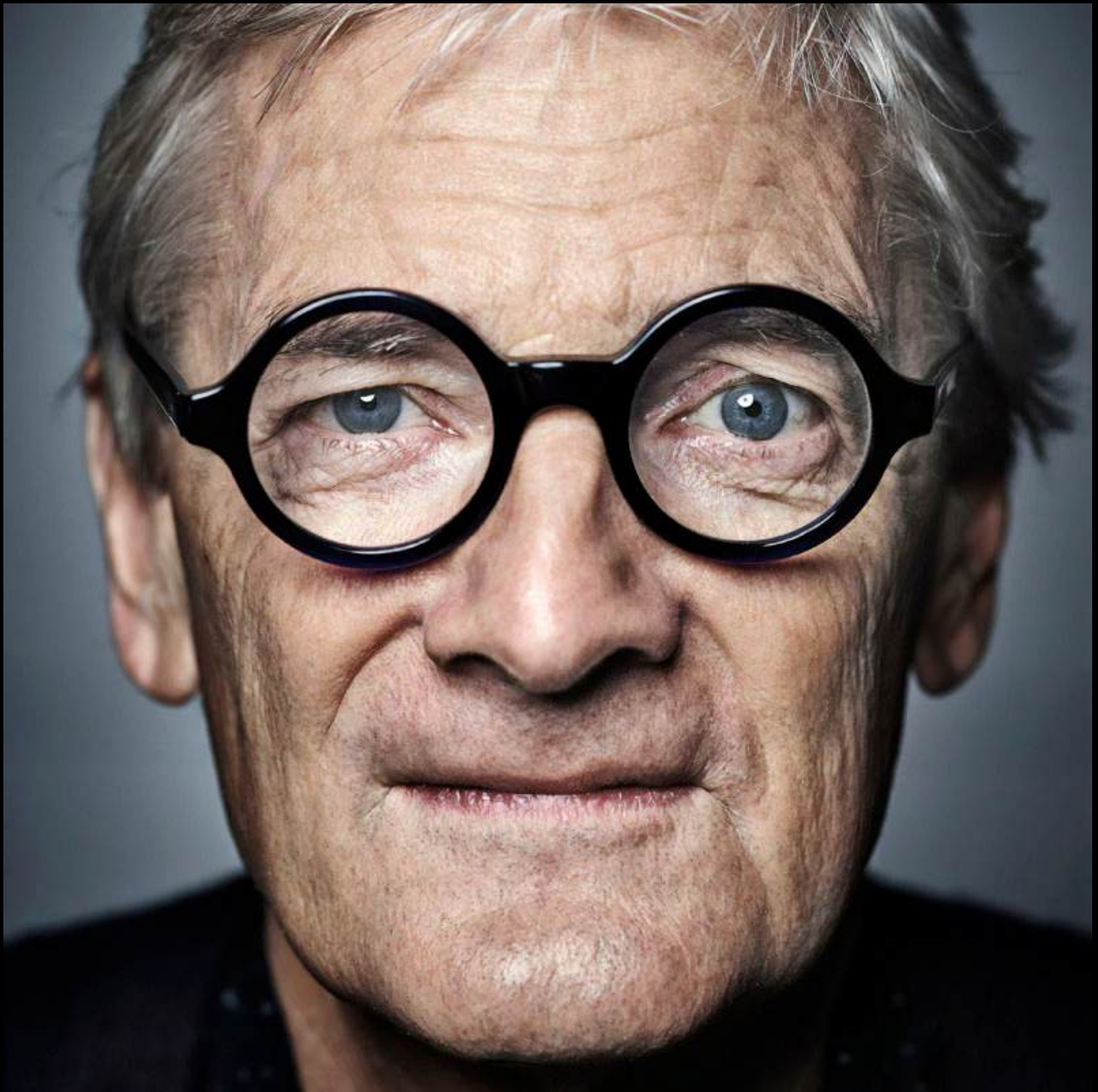


Image: Robert J Wilson

FLUFFY CONES, HAIR, AND THE JAPANESE MARKET

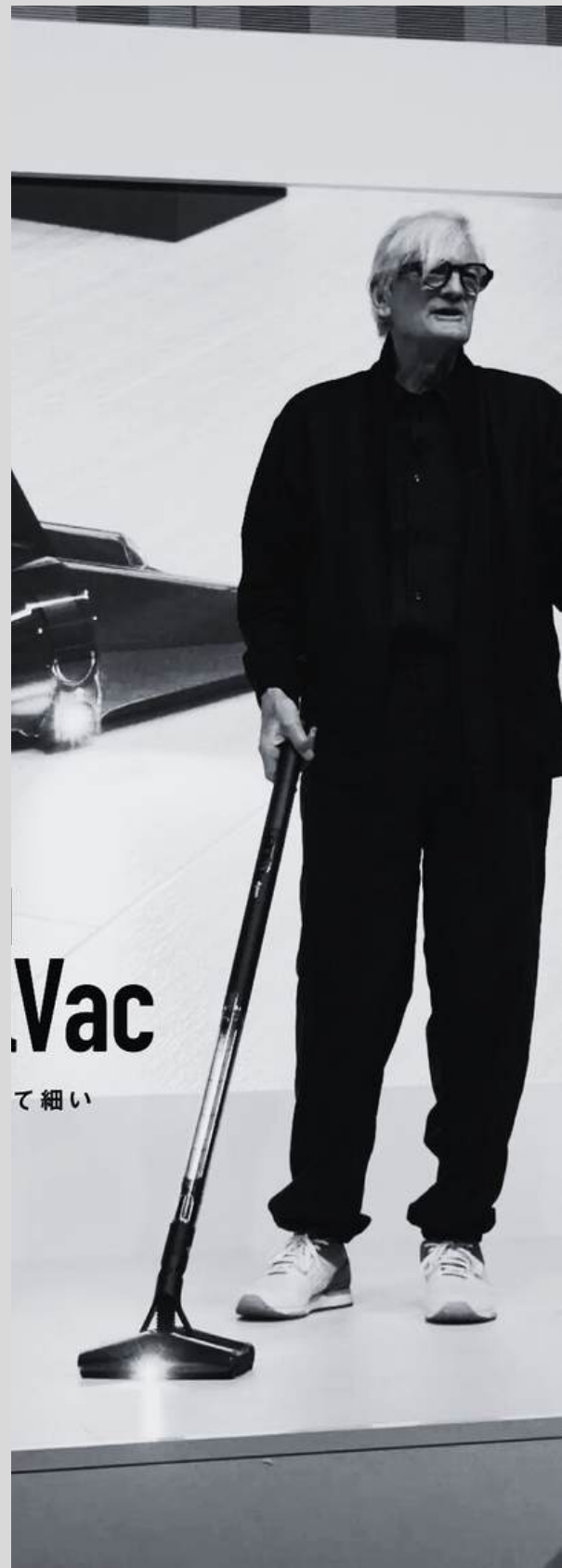
BY PAUL ASHTON



It's hard to think of a better fit than when Dyson launches products in Japan. There's something poetic, almost inevitable, about the match. Japan adores cleanliness, innovation, and beautifully engineered design. Dyson builds obsessive, high-performance tech that makes the mundane feel magical. From toilets to rice cookers, Japan has a cultural reverence for tools that elevate daily life, and Dyson seems to have studied this reverence like a sacred text. Their latest launch, the PencilVac with its surreal-sounding "Fluffy Cones," is not just another gadget; it's a masterclass in listening, iterating, and introducing new technology in a country where the bar for excellence is stratospherically high.

Let's begin with something mundane: hair. Specifically, hair wrapped around vacuum rollers. It's a deeply annoying domestic problem. A small domestic tragedy, really. Anyone with long-haired household members or pets knows the quiet despair of watching strands slowly strangle a vacuum cleaner's motorised brush head, until suction stalls and you're crouched on the floor with scissors, peeling coils of human or animal DNA from the rollers like a forensic technician. In most homes, this is just another quiet bit of friction, tolerated with a sigh.

Dyson, being Dyson, turned this sigh into a brief. And the PencilVac is the answer. Four counter-rotating, conical, fluffy brush bars that elegantly funnel hair off the rollers. You watch it glide off the cones and vanish. That's it. The kind of solution that feels simple only in hindsight, as all great inventions do. But it's not just the fix that's telling, it's where and how they chose to unveil it.



“JAPAN HAS A CULTURAL REVERENCE FOR TOOLS THAT ELEVATE DAILY LIFE.”





Japan isn't just a land of early adopters; it's a market with particular tastes, unforgiving expectations, and a profound appreciation for detail. It's one of the few places where a niche cleaning feature becomes a legitimate selling point. Dyson knows this, which is why Japan often gets first dibs on their more experimental, design-forward launches. It's not just about testing a product, it's about testing the product's philosophy. Can a vacuum cleaner be reimagined as a lifestyle object? Can precision engineering be turned into something emotive? In Japan, these are not rhetorical questions. They're market expectations.

Consider the reveal event. It wasn't a bombastic corporate affair filled with marketing jargon; it was a soft-spoken demo, delivered in calm tones, almost like a meditation. James Dyson himself glided through the features with the practised hand of someone who believes that demonstration is more convincing than hyperbole. He showed how the PencilVac flattens like a yoga instructor under furniture, pivots with balletic grace, and lights up dust in both directions like a lightsaber. It's not about performance; it's about persuasion through quiet competency.

Everything about the product is reduced, streamlined, and considered. The motor is smaller than a 500-yen coin, yet spins at 140,000 rpm. That's nearly nine times faster than a Formula One engine. And yet, unlike many companies that treat high performance as a means to impress with impressive statistics, Dyson wraps this technological marvel in a modest 38mm form factor, discreetly integrating it into the handle. The elegance lies not just in what it does, but in what it doesn't show off about itself.

"IT'S NOT ABOUT PERFORMANCE; IT'S ABOUT PERSUASION THROUGH QUIET COMPETENCY."





There's a philosophy at work here that feels profoundly Japanese: minimalism not as an aesthetic, but as an ethos. And that's what makes Japan such a compelling launchpad for these types of products. It rewards attention to the invisible. Consumers here don't just appreciate detail; they notice it, expect it, and are willing to pay for it. A product like the PencilVac, with its compact footprint, precision brush head, intuitive filtration, hot-swappable batteries and conical anti-tangle tools, isn't just a functional object. It's an offering to a culture that has spent centuries mastering refinement.

But this is also a lesson in marketing restraint. In the West, you might see a campaign around a similar product festooned with lifestyle imagery, heavy branding, influencers, and abstract promises of "empowerment" or "joy." In Japan, Dyson opts for something different, almost anti-marketing. It's an approach that presumes intelligence, invites scrutiny, and insists that the product, if good enough, will speak for itself. And this, curiously, makes it more trustworthy.

It's easy to dismiss Japan's consumer tech culture as quirky or eccentric. Yes, there are vending machines that dispense hot meals and toilets that play music, but underneath that novelty is a profound seriousness about product design. Japanese consumers may embrace whimsy, but only when it serves a function. Quirk for its own sake falls flat. A quirk that solves an old problem in a new way, like a conical brush bar that prevents your vacuum cleaner from clogging on hair, is not just tolerated; it's cherished.

"MINIMALISM NOT AS AN AESTHETIC, BUT AS AN ETHOS."



This is why Dyson's Japan-first launches are more than just a geographical strategy. They're a declaration of values. Japan acts as both crucible and cathedral: a place where your tech is both tested and worshipped, if it passes the test. It's not about raw market size; other countries are bigger. It's about cultural alignment. When your brand is about obsessive engineering, relentless iteration, and radical minimalism, Japan doesn't just make sense, it demands you.

There's something else here, too: a kind of humility. Dyson doesn't arrive in Japan to educate or disrupt. It comes to learn. Every aspect of the PencilVac™, from its ultra-flat profile to its laser-light illumination and swivelling crevice tool, feels like a reply to honest, lived-in feedback. This isn't innovation for the sake of innovation. It's a conversation with the consumer. A long, quiet one. Not unlike the conversation Japan's design culture has been having with itself for centuries.

And that's the broader lesson. Too many tech companies launch globally with a one-size-fits-all mentality, assuming that what works in Silicon Valley or Shoreditch will translate everywhere. But Japan resists that approach. It's not hostile, it's just immune to most kinds of hype. In Japan, products are judged not by the promise they make, but by the promise they keep. In this context, Dyson's approach looks less like product marketing and more like a philosophy of care.



“IN JAPAN, PRODUCTS ARE JUDGED NOT BY THE PROMISE THEY MAKE, BUT BY THE PROMISE THEY KEEP.”



There's something admirable about the decision to lead with your most quietly brilliant ideas, to treat the first impression as an intimate conversation rather than a media spectacle. The PencilVac isn't being rammed into the market. It's being presented, almost shyly. And the fact that it's available in Japan from day one feels less like a sales tactic and more like a rite of passage. Dyson is saying: if it can win here, it can win anywhere.

So, if you're building a consumer tech product, especially one that lives in the home and requires daily interaction, promising to solve even the tiniest inconveniences, Japan isn't just a good launch market. It might be the only one that truly tests what you've made. Not just whether it works, but whether it belongs. Whether it can earn a place in the invisible hierarchy of domestic tools that Japanese consumers hold to almost sacred standards.

Dyson understands this. And with every laser-lit cone, every whisper-quiet motor, every brush bar that refuses to be tangled, they're proving that good design doesn't scream. It listens. And when it speaks, it speaks in the language of usefulness, grace, and restraint.



"IF IT CAN WIN HERE, IT CAN WIN ANYWHERE."





Image: The Japan Times

THE ARCHIPELAGO OF INTERDEPENDENCE

BY PAUL ASHTON



The old gods of Japanese retail are fading. For generations, the titans of Japanese commerce, the sprawling department stores, the ubiquitous convenience chains, the architect-kings of consumer desire, built their empires on a deceptively simple premise: total control. They were the Value Chain Owners, meticulously engineering every step from procurement to the final, polite bow at the checkout counter. This model, a monument to post-war efficiency and a homogenous consumer culture, scaled with ferocious speed, franchising its way across the nation, its success measured in market share and the relentless optimisation of every conceivable process. It was a system that thrived in the predictable currents of a growing population and stable consumption. But the tides have turned. The meticulously constructed dykes of the old order are now being breached by waves of demographic decline, an ageing society, and a consumer psyche that has fragmented into a constellation of new values and priorities. The era of command and control is over.

A recent, trenchant report from Roland Berger's Tokyo office, *The Future of Retail Business*, delivers a clear-eyed prognosis: the Japanese retail sector must pivot, and pivot dramatically. The diagnosis points away from the self-contained dominance of the Value Chain Owner towards a more complex, more relational, and ultimately more resilient paradigm: Stakeholder Management. This isn't merely a semantic shift or a nod to corporate social responsibility. It represents a fundamental reimagining of retail's purpose, expanding its focus from the solitary end-consumer to the entire intricate web of participants: suppliers straining under cost pressures, franchise owners battling for viability, employees seeking meaning and fair compensation, delivery partners navigating logistical mazes, local communities demanding contribution, government bodies expecting partnership, and a customer base no longer content to be treated as a monolith.



“THE OLD GODS OF JAPANESE RETAIL ARE FADING, AND THE ERA OF COMMAND AND CONTROL IS OVER.”



What makes this transition so profound is its unwillingness to pretend the past still fits. Japan's old retail model was forged in an age where mass-market logic reigned: big supply, standardised demand, linear logistics. However, the societal compact underpinning this model of stable demographics, cheap labour, and consumer conformity has frayed. The result is not mere dysfunction. It is a kind of moral and operational obsolescence. The system isn't failing because it was poorly designed; it's failing because it was designed for a different world.

The Roland Berger report functions less as a playbook and more as a reckoning. Its core message is clear: the future of retail in Japan lies in the embrace of complexity, in fostering interdependence, and in building a business not around product delivery alone, but around ecosystem stewardship. Stakeholder management, in this context, is not a soft option. It is a strategy of survival, and for those willing to engage with it deeply, a roadmap to durable growth.

To understand the gravity of this shift, one must start with what is collapsing. For decades, Japanese retailers operated atop a fortress of scale. They owned logistics, dictated terms to suppliers, automated relentlessly, and expanded through franchising models that prized replicability over nuance. This model was not only efficient; it was elegant in its precision. But such elegance was predicated on the homogeneity of people, preferences, and problems. In today's Japan, none of these assumptions hold.



“THE SYSTEM ISN'T FAILING BECAUSE IT WAS POORLY DESIGNED; IT'S FAILING BECAUSE IT WAS DESIGNED FOR A DIFFERENT WORLD.”





The country's population is in freefall. Since peaking in 2008, it has shrunk by over three million. Nearly a third of its citizens are now over 65. Labour shortages are not cyclical; they are endemic. Regional disparities have deepened, with urban hubs continuing to hum while smaller cities and rural areas haemorrhage residents and services. And perhaps most critically for retailers, the Japanese consumer has become less a singular identity and more a mosaic of fractured, self-aware, and values-driven segments.

Where once a retailer might optimise for the “average” consumer, that category is fast becoming meaningless. Values now define consumption as much as income or age. The rise of the “Minimalist,” the “Socially-Oriented,” or the “Wellness Devotee” reflects a cultural shift where identity and ethics shape retail behaviour. The customer is no longer looking for a deal. They are looking for a mirror.

In this context, the old model of squeezing suppliers, overworking franchisees, and treating employees as interchangeable parts is not just ethically dubious, it's strategically dangerous. Stakeholder Management emerges as the only model robust enough to handle the entropy of modern retail. It is not a utopian framework. It is a recognition that business is embedded in society, and that its fate is bound up with those it affects.

“THE CUSTOMER IS NO LONGER LOOKING FOR A DEAL. THEY ARE LOOKING FOR A MIRROR.”



How does this play out in practice? Roland Berger identifies seven transformations that illustrate the contours of this new logic. Each is a dismantling of an old certainty.

Private Brands, once the backwater of cost-cutting, are becoming signals of identity. In Japan, PB penetration lags far behind Europe, not due to a lack of interest but because too many products still speak the old language of generic value. But when over 60% of Japanese consumers say they want brands that “understand their values,” the PB becomes something else: an opportunity for narrative, ethics, and connection. A product is no longer just what you buy; it’s what it says about who you are.

Store formats are diverging, not standardising. Automation is replacing humans where it should; immersive service is being intensified where it matters. The traditional mid-tier store, neither efficient enough to be frictionless nor compelling enough to be an experience, is vanishing. Retailers must now ask of every store: Does this exist to delight or to deliver? If the answer is neither, it is simply noise.

The secondhand economy is surging, not as a subculture but as a new commercial orthodoxy. Platforms like Mercari and Back Market are reshaping consumer expectations. Retailers who ignore this trend don’t just miss revenue; they lose relevance. A secondhand strategy isn’t a bolt-on. It’s a signal that a retailer understands the evolving moral compass of its audience.



“RETAILERS MUST NOW ASK OF EVERY STORE: DOES THIS EXIST TO DELIGHT OR TO DELIVER?”



イオンはEVから店舗へ充電も

AEON

- 30分で「WAON(ワオン)」24ポイント
- 充電器の設置、2030年に2500基



⚡ スマホ操作でイオンに電力提供
⚡ 最大で3時間分の提供可能

まず5月中に大阪・奈良の計3店舗で

充電場所の拡大にコストの壁

1カ所の設置に
数百万円かかる



グラフィックス 桑山昌代

Sustainability messaging, once a monologue, must become a duet. Japanese consumers engage with sustainability in ways that are stratified. Some want depth, others want simplicity. Neither is wrong. But trying to satisfy both with one voice is a recipe for mediocrity. Successful retailers are learning to speak in multiple dialects of green, each calibrated to a specific audience's level of trust and literacy.

Retail is also becoming healthcare. Not metaphorically, but literally. As the nation ages and the state seeks to reduce strain on hospitals, retailers are being enlisted, sometimes implicitly, sometimes directly, as points of preventative care. This could mean basic screenings, nutritional advice, or telemedicine integration. In rural areas, the local supermarket may become not just a place to shop, but a lifeline.

Mobility, too, is being rethought. As EVs proliferate, their long charging times are creating new windows for engagement. The gas station of old is becoming a "mobility hub" where commerce, service, and downtime coalesce. This isn't just about location; it's about attention. The 30-minute charge becomes a 30-minute invitation.

And finally, physical retail is polarising. Stores are either becoming logistics hubs, dark, data-driven, invisible, or temples of experience, dense with stimuli and surprise. The muddled middle is dying. Consumers expect precision: either speed or sensation. The future belongs to the specialist, not the generalist.

“STORES MUST NOW BE EITHER TEMPLES OF EXPERIENCE OR ENGINES OF EFFICIENCY...NOT BOTH.”



These are not passing trends. They are the early architecture of a new model. And they require a shift not just in tactics but in philosophy. For foreign retailers, this means something uncomfortable: you cannot win in Japan by importing your blueprint and tweaking it at the margins. Japan resists simplification. Its culture of consensus, its dense local networks, its aversion to overt confrontation all these demand an approach based on listening, embedding, and adapting.

Stakeholder Management in Japan is not corporate theatre. It is a test of sincerity. A brand that claims to care but pays suppliers late, mistreats workers, or operates without community legitimacy will be outed, not with fanfare but with quiet, cumulative resistance. Shoppers will drift. Partnerships will wither. Local governments will grow frosty. And your business will suffer, not with scandal but with silence.

This is the crux. In Japan, brand survival depends not on disruption, but on integration. The question is no longer “how do we scale quickly?” but “how do we matter deeply?” The businesses that thrive will be those that see the ecosystem not as a cost centre but as the source of all value. They will map their stakeholder web carefully, employees, suppliers, franchisees, and communities, and seek to deliver not maximum extraction but mutual benefit.



“THE QUESTION IS NO LONGER ‘HOW DO WE SCALE QUICKLY?’ BUT ‘HOW DO WE MATTER DEEPLY?’”



This may sound slow. And it is. But it is also durable. In a country where reputational capital builds over years, but can be lost in moments, trust is more powerful than virality. The most successful foreign brands in Japan are not the most aggressive; they are the most attuned.

We are living in a time when efficiency is no longer enough. The machine must give way to the organism. The retailer must evolve from operator to caretaker. The brand must become a neighbour. In that transformation lies not only the future of Japanese retail, but perhaps a model for commerce in an age where systems are strained, trust is rare, and the question of who business serves has become impossible to ignore.

In Japan, the age of domination is ending, and the age of participation is beginning. In the archipelago of interdependence, the map is redrawn by those who choose to engage, fully, humbly, and with the conviction that resilience is not found in control, but in connection.



“IN JAPAN, THE AGE OF DOMINATION IS ENDING, AND THE AGE OF PARTICIPATION IS BEGINNING.”



FEELINGS



Image: FEARNOTRUTH

WHEN BRANDS GET THE CONNECTION BETWEEN HOW WE FEEL AND WHAT WE VALUE

BY GORDON MCLEAN



Our feelings and values are deeply intertwined, shaping not only personal identity but also our interactions with the world around us. While values represent our beliefs and principles, guiding our decisions and behaviors, feelings are the emotional responses that color our experiences. For brands, tapping into this interplay means moving beyond traditional marketing strategies to foster genuine emotional connections, resonating with the core values of their audience.

One of the primary opportunities for brands that grasp the feelings-values connection is the ability to craft more authentic and meaningful narratives. Today's consumers are increasingly discerning, seeking brands that not only offer quality products or services but also reflect their personal values and aspirations. By communicating in a way that aligns with these deeper principles, brands can elevate their message, making it more compelling and relatable. This alignment fosters a sense of shared purpose, drawing consumers into a more engaged and loyal relationship with the brand.

Understanding the emotional terrain of its consumers' values can help brands to better tailor their offerings more precisely. In a market saturated with options, the ability to meet not just the functional but also the emotional needs of consumers can set a brand apart. This could mean designing products that evoke feelings of nostalgia, joy, or security, or creating experiences that affirm values such as sustainability, inclusivity, or innovation. Such strategic alignment not only enhances the perceived value of the brand's offerings but also deepens consumer engagement by appealing to their sense of identity and personal ethics.



“BRANDS THAT ALIGN WITH PERSONAL VALUES DON'T JUST SELL, THEY RESONATE.”





The insights gained from the feelings-values nexus also empower brands to navigate crises more effectively. In moments of controversy or challenge, a brand's response can significantly impact its reputation and consumer trust. Brands that respond in ways that are consistent with their stated values and that resonate emotionally with their audience can strengthen relationships even in difficult times. Conversely, responses that seem out of touch with consumer values or that fail to acknowledge the emotional dimensions of the situation can exacerbate the crisis. Thus, a deep understanding of this connection is crucial for crisis management and brand resilience.

Also, tapping the connection between feelings and values can unlock greater differentiation. In a crowded marketplace, brands that successfully align themselves with the values of their target audience, and that communicate this alignment in emotionally resonant ways, can stand out. This differentiation is not just about the features or benefits of the product but about the brand's identity and its role in the consumer's life. Brands that are seen as champions of particular values or causes can engender a passionate following, transforming consumers into brand advocates.

The opportunities extend into the digital realm as well, where social media platforms offer unique ways to engage with consumers on an emotional level. Brands that use these platforms to share stories, celebrate community achievements, or take stands on issues demonstrate an understanding of their audience's values and feelings. Such engagement not only amplifies the brand's message but also fosters a sense of community and belonging among its consumers.

“BRANDS THAT STAY TRUE TO THEIR VALUES IN TOUGH TIMES EARN LASTING TRUST.”



What's more, this approach can also unlock avenues for innovation. By deeply understanding the values and emotional landscapes of their consumers, brands can anticipate needs and develop innovative solutions that truly resonate. This forward-thinking approach can lead to breakthrough products and services that capture the imagination and loyalty of the market.

However, the journey towards leveraging the connection between feelings and values is not without its challenges. It requires brands to cultivate a deep and authentic understanding of their audience, a task that demands empathy, research, and ongoing engagement. Brands must also navigate the fine line between genuine alignment and perceived opportunism, ensuring that their efforts are seen as authentic rather than exploitative.

In short, the opportunities available to brands that better understand the connection between our feelings and our values are vast and varied. From creating more authentic narratives and tailoring offerings to navigating crises and fostering greater differentiation, the potential benefits are significant.

Seizing these opportunities demands genuine engagement and a deep understanding of the customer. For brands willing to undertake this journey, the rewards include more than increased loyalty and growth, but also the chance to play a more meaningful role in the lives of their market.



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Gordon is the Founder of Fear No Truth, a partner company of Ulpa.

In his career he has launched, built and reinvented some of the world's best brands; including Apple, Bacardi, Bank of Scotland, Bing, Bombay Sapphire, EA Games, GE, Gillette, Grey Goose, Guinness, Halifax, Hilton, Holiday Inn Express, HSBC, Perfect Day, Radisson, Sandy Hook Promise, SAP, ServiceNow, Vodafone, and Wells Fargo.

He has a body of work that's been recognised for its commercial impact by the IPA and Effies, for its strategic thinking by the Jay Chiats and ARF, for its cultural impact by the MoMA, Emmys and TED, and for its creative excellence by The Clios, One Show, Cannes Lions, D&AD, and others.

“THE BRANDS THAT WIN ARE THOSE WILLING TO LISTEN DEEPLY, ACT AUTHENTICALLY, AND INNOVATE WITH PURPOSE.”



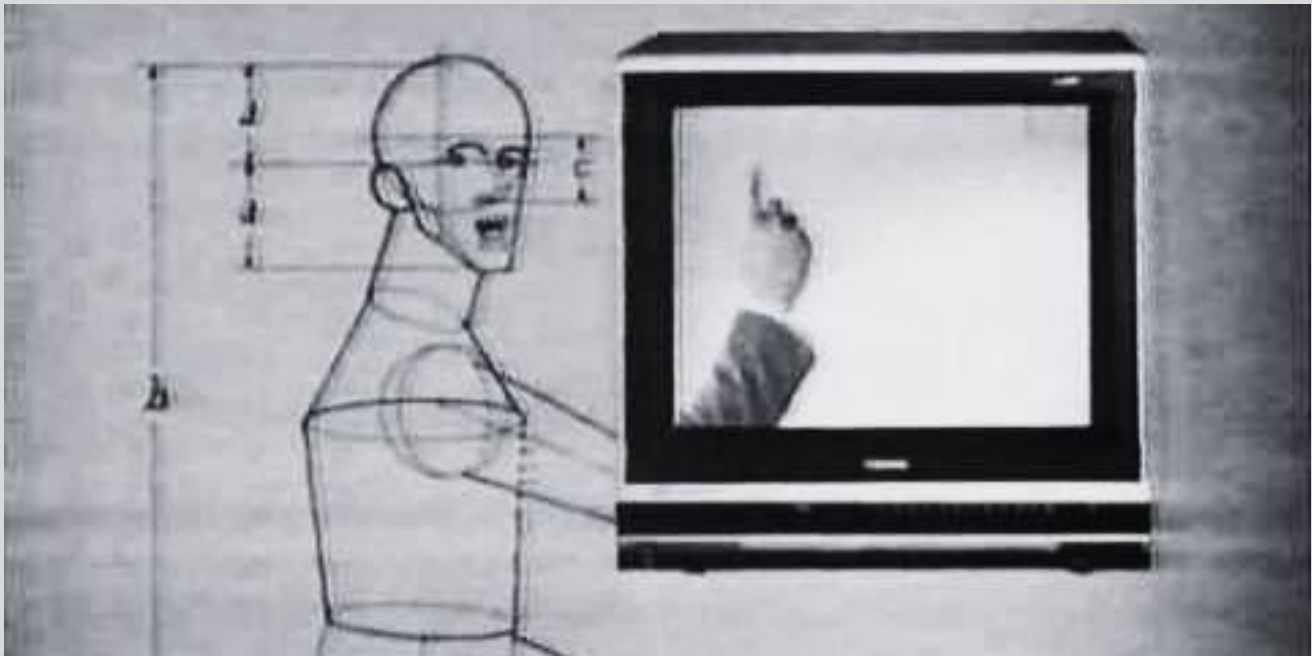


Image: UZU

RIDING THE KUROSHIO WITH TOSHIBA

BY PAUL ASHTON





There are names that don't just live in memory but seem to carry the weight of a nation's aspirations on their shoulders. Toshiba was one of those names. It sat comfortably alongside Sony, Panasonic, and Hitachi, not merely as a corporate entity but as a cultural institution, a concrete manifestation of post-war Japan's modernisation dream. For much of the 20th century, Toshiba was synonymous with innovation and reliability, a technological vanguard that powered everything from living rooms and office towers to nuclear plants and commuter trains. But history, particularly the history of companies once thought too big to fail, has a peculiar cadence. Titans stumble. Icons fade. And when they do, the silence they leave behind is not emptiness but a space thick with memory, regret, and, just maybe, the stirrings of something new.

Toshiba's journey from pioneering powerhouse to embattled entity is not just a tale of corporate mismanagement or technological obsolescence. It is the story of a company caught between eras, between the protected post-war industrial model of Japan Inc. and the bracing exposure of globalised capital markets; between its legacy as a national champion and the unforgiving logic of shareholder value. It is also, more quietly, a meditation on rebirth, not the triumphant kind but the slower, harder kind that begins in the shadows, long after the spotlight has moved on.

The company's roots reach back to the 19th century, when two visionaries, Hisashige Tanaka and Ichisuke Fujioka, planted the seeds for what would become Toshiba. Tanaka was an inventor often dubbed the "Thomas Edison of Japan," and Fujioka helped bring the first electric light to the country. Their companies merged in 1939,

"TITANS STUMBLE. ICONS FADE. THE SILENCE THEY LEAVE BEHIND IS NOT EMPTINESS."





a marriage of ingenuity and ambition that would form the bedrock of Toshiba's reputation for engineering excellence. Across decades, it delivered one innovation after another: Japan's first washing machine, its first colour TV, and later, the first mass-market laptop, the Toshiba T1100, in 1985. The invention of NAND flash memory, a foundational technology in our digital age, was perhaps its most enduring contribution.

This was the Toshiba the world grew up with, ubiquitous, dependable, quietly brilliant. In an age when Japanese manufacturing was the envy of the world, Toshiba was emblematic of that quiet, relentless pursuit of excellence. And yet, even as it scaled these heights, the seeds of its unraveling were being sown, not only in boardroom decisions, but in the very structure of the Japanese corporate ecosystem, where insularity and consensus often muted necessary dissent.

The fall was neither sudden nor subtle. The 1987 Toshiba-Kongsberg scandal, where a subsidiary illegally exported precision machinery to the Soviet Union, was the first public puncture in its image, exposing cracks in oversight that would widen over the years. But it wasn't until the 2010s that the unravelling turned into freefall. In 2015, a devastating accounting scandal revealed that the company had overstated its profits by more than a billion dollars over seven years, the deception stretching all the way to top management. The revelations didn't just cost Toshiba credibility, they laid bare the rot at the heart of a corporate culture allergic to transparency and averse to challenge.

“THE FALL WAS NEITHER SUDDEN NOR SUBTLE...BUT IT WAS, INEVITABLY, SELF-INFLICTED.”





The scandals didn't stop there. Toshiba's ill-fated acquisition of Westinghouse Electric in 2006, meant to cement its status as a global nuclear energy leader, turned into a financial black hole. Projects in the United States ran massively over budget and behind schedule, culminating in Westinghouse's 2017 bankruptcy and pushing Toshiba to the brink of collapse. What followed was a desperate scramble to stay afloat: fire sales of prized assets, including its memory chip division and its once-dominant laptop and consumer electronics businesses. Each divestment felt like a slow-motion amputation, leaving behind a company unrecognisable from the one that once sat at the apex of global tech.

It is tempting, especially in the language of business journalism, to frame this as a cautionary tale, a morality play about hubris, mismanagement, and the cruel march of innovation. But Toshiba's story resists such easy framing. It is also about the shifting tectonics of global capitalism, the pressures of activist investors, and the limitations of legacy corporate models in a world that no longer offers the shelter of national allegiance. After foreign shareholders injected billions into Toshiba post-crisis, they found themselves locked in a struggle with management and the Japanese government over the company's future, a standoff that reflected not just divergent business priorities but different visions of what a company like Toshiba should be.

In 2023, after years of this corporate tug-of-war, Toshiba exited the public stage. A \$14 billion buyout led by Japan Industrial Partners (JIP) took the company private, ending a

**“EACH DIVESTMENT WAS A SLOW-MOTION AMPUTATION,
LEAVING THE COMPANY UNRECOGNISABLE.”**





74-year run on the Tokyo Stock Exchange. On the surface, it looked like a retreat, even a surrender. But it may also have been a quiet pivot, a decision to rebuild not in the blinding light of public scrutiny but in the obscured, quieter spaces where long-term plans can germinate. For a company once allergic to change, this act of turning inward may be its most radical one yet.

The new Toshiba, leaner and more focused, is no longer the consumer electronics behemoth it once was. Its gaze has shifted towards infrastructure, energy, and industrial technology, areas less glamorous than smartphones or laptops, but essential in a world facing climate change, urbanisation, and cyber threats. It is betting on niche expertise in areas like quantum cryptography, solid-state Lidar, and hydrogen energy. Whether these bets pay off remains uncertain. But in a business culture that often confuses reinvention with rebranding, Toshiba's willingness to shrink in order to survive offers a different model of resilience, one grounded not in chasing lost glory but in accepting new realities.

This transformation is as much psychological as strategic. The consumer world no longer needs Toshiba to tell it what the future looks like. That role now belongs to Silicon Valley, to Shenzhen, to the fleet-footed startups and the monolithic platforms that define our digital lives. But Toshiba's relevance may lie elsewhere, in the slow, complex problems that still require heavy lifting, long timelines, and technical rigour. In an age intoxicated by disruption, there is something almost subversive about this kind of durability.

“IN AN AGE INTOXICATED BY DISRUPTION, THERE IS SOMETHING ALMOST SUBVERSIVE ABOUT DURABILITY.”



Yet even now, questions linger. Can a company as battered as Toshiba truly reinvent itself without the crucible of public accountability? Can a private equity-led revival balance short-term returns with long-term vision, especially in industries as capital-intensive and politically sensitive as nuclear energy? And, most pointedly, what does Toshiba's odyssey say about Japan itself, a country wrestling with demographic decline, economic stagnation, and the uncertain legacy of its industrial age?

The answers are not yet clear. But perhaps clarity is overrated. What Toshiba offers instead is a story about persistence. Not the romantic kind that triumphs against all odds, but the quieter, more ambiguous kind that adapts, contracts, endures. The Toshiba that will mark its 150th anniversary in 2025 will not be the same company that brought Japan its first electric washing machine. But it might, if only just, be a company that has learned to live with its ghosts while still believing in its future.

In this, Toshiba is not alone. Around the world, legacy firms are reckoning with the dissonance between their past identities and present constraints. Some disappear entirely. Others re-emerge in new forms, unrecognisable but somehow still themselves. The fall of a giant is rarely a single moment. It is a slow decrescendo, followed, if we are lucky, by a new kind of quiet music. Toshiba is playing its way back into the symphony, not with fanfare, but with a kind of hopeful precision. Whether the world listens is another matter.



“THE FALL OF A GIANT IS RARELY A SINGLE MOMENT...BUT A SLOW DECRESCENDO, FOLLOWED, IF WE ARE LUCKY, BY A NEW KIND OF QUIET MUSIC.”





Image: UZU

THE GOSPEL ACCORDING TO RORY

BY PAUL ASHTON



There's something deliciously ironic about Rory Sutherland becoming a TikTok sensation. Here is a man with the philosophical gravity of a Victorian polymath and the eccentric charm of a minor Dickensian character, who now shares brainy dispatches on perception, decision-making and irrationality in 60-second snippets. Somewhere between a wizard and a marketer, Sutherland is one of the few figures in advertising whose work regularly veers into the metaphysical. He doesn't just sell soap. He questions whether people even want cleanliness, or if they're actually buying the feeling of being clean. Or of being seen to be clean. That, in a nutshell, is Rory's gift, his ability to look at the ordinary and spot something utterly mad, and completely true.

For those not indoctrinated into the Roryverse, Sutherland is Vice Chairman of Ogilvy UK, one of the largest and most storied ad agencies in the world. But titles mean little here. His influence doesn't come from corporate rank. It comes from the quiet revolution he helped ignite in the mid-2000s, one that upended how advertising works and how we understand human choice. The revolution was behavioural economics. And Sutherland was one of its most articulate, entertaining, and mischievous apostles.

To understand Rory, you have to understand that he doesn't merely adopt behavioural economics as a toolkit. He inhabits it. It's not a theory to be deployed. It's a worldview. It explains why people do



“HE DOESN'T JUST SELL SOAP...HE QUESTIONS WHETHER PEOPLE EVEN WANT CLEANLINESS.”





things that seem stupid, or contradictory, or weird, but that feel completely normal from the inside. It's also why, when he found himself ill in bed in 2007, flipping through books by Daniel Kahneman and Richard Thaler, something clicked. Not in a vague "this is interesting" way, but in the jolt of full-bodied recognition. He'd always suspected that conventional economics was bunk when it came to real people. Now, here was a body of work that gave his intuition a name.

Behavioural economics sounds academic, and it can be. But Sutherland's genius is making it feel like common sense. In many ways, it is common sense, just the kind we've been conditioned to ignore. Traditional economics assumes we are rational agents, optimising every choice, calculating trade-offs with the cool detachment of a spreadsheet. But real life doesn't work that way. People choose the more expensive wine because it's second from the top. They ignore the cheaper car insurance because the logo looks amateurish. They'll walk past a perfectly good café if they see a mop propped up by the door.

It all comes back to context, to cues, to stories. That's why Rory's approach to marketing often sounds more like anthropology than economics. He wants to understand not what people say they want, but what they actually do. He delights in contradictions, how people will say they want healthier food, then avoid it when it's labelled "low-fat." How airline

"VALUE ISN'T ALWAYS IN THE PRODUCT...IT'S IN THE EXPERIENCE."



passengers insist that time and efficiency matter most, yet would likely be far happier with a train journey that simply felt more enjoyable, even if it took longer. There's a now-famous example of this in one of his talks: the Eurostar. Billions were spent to shorten the journey between London and Paris by 40 minutes. But what if, Rory posited, they had instead hired supermodels to walk down the aisles pouring champagne? The journey would have taken longer, yes, but no one would have minded. In fact, they might have enjoyed it more. The absurdity of the suggestion is precisely what makes it brilliant. It reframes the problem. It reminds us that value isn't always in the product, it's in the experience.

This is where Sutherland becomes more than a marketer. He's a philosopher of capitalism. A critic of logic masquerading as truth. In his world, businesses fail not because they lack data, but because they ask the wrong questions. They optimise for speed, cost, efficiency, metrics that are easy to measure, but often meaningless to the people they're supposed to serve. In contrast, Rory urges companies to ask the human questions: How does this make someone feel? What subtle signal might I be sending without realising? What assumptions am I making that might be flat-out wrong?

These aren't rhetorical flourishes. They lead to real business impact. Take the time a biscuit company launched a new low-fat



“BUSINESSES FAIL NOT FOR LACK OF DATA...BUT FOR ASKING THE WRONG QUESTIONS.”



product, backed by research and taste tests. On paper, it should have soared. But sales collapsed. Why? Because the packaging loudly declared "Now with 30% less fat!" In other words, it turned a treat into a health product. Rory spotted the error immediately. People want to feel good about indulgence, not be reminded of their dietary failures. The solution? Quietly change the ingredients, and don't say a word. That story captures the core of Rory's appeal. It's not that he tells you people are irrational. We already know that. It's that he shows how that irrationality can be harnessed, understood, and even celebrated. Behavioural economics, in his hands, becomes a way of looking at the world that is both more accurate and more humane.

Because here's the truth: people are not spreadsheets. They are bundles of emotion, habit, contradiction, and narrative. And to sell to them, lead them, or even understand them, you have to start there. This makes Rory something of a heretic in business culture. Corporate logic worships at the altar of data and optimisation. Rory questions the very idea of "optimal." In fact, he suspects it's a mirage. If you want to be truly innovative, you can't just look for the correct answer. You have to look for the interesting one. He's said, more than once, that his aim is not to be right, but to be "interestingly wrong." Because that's where breakthroughs live, not in proving others wrong, but in reframing the problem entirely.

The tech world, for all its rhetoric about disruption, rarely embraces this kind of thinking. Too often, it still clings to rationalist orthodoxy, dressed up in dashboards and A/B tests. But Sutherland's work reminds us that not all truths are quantifiable. That anecdote can sometimes reveal more than analysis. That one user's visceral response might matter more than a thousand clean data points. After all, the Titanic had years of data showing there were no icebergs in that part of the Atlantic. But one lookout yelling "Iceberg ahead" should have been enough.



"IF YOU WANT TO BE TRULY INNOVATIVE, DON'T LOOK FOR THE RIGHT ANSWER, LOOK FOR THE INTERESTING ONE."





This doesn't mean data is useless. It means it's incomplete. It tells you what is, not why. And the why, the emotional truth behind a decision, is where the action really is. There's a deeper resonance to all this, too. In a culture that increasingly flattens people into user profiles and consumer segments, Rory's worldview reintroduces complexity. It insists that people cannot be neatly categorised or predicted. Their behaviour is often shaped by invisible forces, context, framing, memory, and expectation. And that to treat them as purely rational is not just incorrect, but dehumanising.

This is what makes behavioural economics, at its best, a profoundly democratic discipline. It listens. It observes. It adapts. And it reminds us that value isn't inherent, it's constructed, often in the moment. The £3 popcorn at the cinema is suddenly a bargain when next to the £6 one. A coffee shop feels more welcoming when the mop is out of sight. A holiday becomes irresistible when described not as "on sale," but as "yours."

Rory Sutherland doesn't claim to have all the answers. In fact, he's deeply sceptical of people who do. But what he offers, what behavioural economics provides, is a better way to ask the questions. A more honest account of why people do what they do. And a more imaginative way to meet them where they are.

In an age obsessed with precision, that kind of fuzziness might seem like heresy. But as Rory might say, heresy is underrated. Sometimes, it's the only path to truth. So the next time someone tells you the data speaks for itself, ask them whose story it's telling. And whether they've considered that maybe, just maybe, the real magic isn't in the numbers. It's in the behaviour they failed to capture.

“TO TREAT PEOPLE AS PURELY RATIONAL IS NOT JUST INCORRECT, IT'S DEHUMANISING.”





Image: Reuters

WHO THE HELL IS YUSAKU MAEZAWA?

BY PAUL ASHTON



There is something oddly endearing, and equally exasperating, about watching Yusaku Maezawa attempt to orbit the Earth both literally and metaphorically. The Japanese billionaire entrepreneur, modern art collector, former punk drummer, space tourist, social media showman and serial romantic appears to exist on a kind of perpetual slingshot: pulled back by convention, propelled forward by impulse, never quite landing where you think he will. He is neither a cautionary tale nor a paragon of visionary genius. He is what happens when a refusal to conform becomes not a tactic but an identity. And in the finely groomed conservatism of Japanese corporate culture, he is either a misfit prophet or a walking contradiction.

Maezawa's trajectory defies the standard entrepreneurial myth. It's not rags-to-riches in the classical sense; there's no dramatic bootstrap origin, but it is a distinctly post-industrial parable. Born in 1975 in Chiba, a commuter city east of Tokyo, Maezawa came of age during Japan's economic stagnation. That he looked at the grey-suited office workers on the train each morning and resolved never to become one is hardly surprising. What is surprising is how literally he followed through. He skipped university. He moved to the United States. He immersed himself in music and built a record collection so expansive that he turned it into a mail-order business. That makeshift venture, Start Today, eventually morphed into Zozotown, Japan's largest online fashion retailer and the launchpad for his wealth.



“HE IS WHAT HAPPENS WHEN A REFUSAL TO CONFORM BECOMES NOT A TACTIC BUT AN IDENTITY.”





But even Zozotown wasn't just a business. From the beginning, it felt like a theatre of identity, a boutique shopping city in cyberspace that married consumerism with aesthetics in a uniquely Japanese idiom. Maezawa seemed less interested in margins than in mood. He crafted Zozotown as a place of visual pleasure and social interaction. While other e-commerce sites pursued frictionless minimalism, Zozotown leaned into stylised subcultural flair. It wasn't just fashion; it was a moodboard of desire.

And it worked, brilliantly, for a while. The company went public. It scaled rapidly. By the mid-2010s, Maezawa was not only one of the wealthiest men in Japan but also among its most recognisable. Still, the world he built never seemed big enough for him. Zozotown was a means, not an end. He began collecting art voraciously and at extraordinary cost. He famously paid \$110.5 million for a Basquiat painting in 2017, a skull on canvas that felt like a cypher for Maezawa himself: blunt, primal, difficult to pin down. And perhaps that's the key to understanding him. He is not a man of polish, but of raw gesture. Whether it's art, technology, philanthropy or romance, he commits like a gambler pushing chips into the centre of the table.

His failures have been equally theatrical. The Zozosuit debacle is the most emblematic. Designed to allow customers to measure their bodies at home using a stretchy, sensor-filled suit, the innovation

MAEZAWA IS NOT A MAN OF POLISH, BUT OF RAW GESTURE, A GAMBLER PUSHING CHIPS INTO THE CENTRE OF THE TABLE."



promised to usher in a new age of custom-fit fashion. But like so many of Maezawa's projects, it was too ambitious, too fast, and ultimately too flawed. Measurement errors, production delays, and mounting consumer complaints turned what was once heralded as the future of fashion into a punchline. It's easy to mock, and many did, but there's something admirable in the brazenness of the attempt. Most billionaires optimise existing systems. Maezawa wants to reinvent them wholesale.

Then came the pivot. In 2019, shortly after announcing plans to be the first private citizen to fly around the Moon aboard a SpaceX rocket, Maezawa stepped down as CEO of Zozo and sold the bulk of his shares to Yahoo Japan. He walked away with billions. Most would retire quietly. He chose to become even more visible.

There's a cinematic quality to his post-Zozo life. The spaceflight announcement. The matchmaking show to find a female companion for the trip. The repeated Twitter campaigns giving away millions of yen to random followers. The public romances, breakups, reconciliations, and flamboyant declarations of love. The lawsuits against Meta over deepfake ads using his face. The launching of venture funds, DAOs, and philanthropic foundations. Each move exists in a realm somewhere between sincerity and spectacle. It's tempting to dismiss it as ego, but that misses the deeper texture. Maezawa is not just seeking attention; he is seeking meaning. And he appears to believe, earnestly, that he can purchase it, perform it, and if necessary, launch it into orbit.



“MAEZAWA ISN'T JUST SEEKING ATTENTION, HE'S SEEKING MEANING, EVEN IF HE HAS TO LAUNCH IT INTO ORBIT.”



There's a loneliness at the heart of this, and Maezawa is not coy about it. In his infamous dating campaign, he wrote that he had acquired "money, social status, and fame," but was still missing the thing that mattered most: "Continuing to love one woman." In a different context, that might read as marketing fluff. From him, it reads as a confession. His wealth is not a shield; it is a spotlight. And under it, his desires are laid bare, awkward, romantic, a little desperate, strangely relatable.

And yet, to dismiss Maezawa as a rich man's midlife crisis in action is too easy. His philanthropy is not performative. It is sustained, thoughtful, and often local. He's donated vast sums to rebuild after natural disasters in Chiba. He's supported single-parent households. He's invested in early-stage companies, not only in tech but in veterinary care, education, and biotech. There's a quiet infrastructure of care beneath the noise. Even the infamous money giveaways on Twitter, derided by some as stunts, have been couched in the language of social experimentation. Could a basic income, he wondered aloud, change someone's life? Not many billionaires ask such questions out in the open.

And then, of course, there is space. His trip to the International Space Station in 2021 made him the first Japanese civilian to visit the ISS in over 30 years. He documented it like a vlogger and approached it with genuine awe. One of his most publicised acts aboard the ISS was assembling a jigsaw puzzle bearing the words "No War", a quiet but pointed act of defiance in a world drifting into conflict. There is something childlike in Maezawa's space dreams, not childish, but unjaded. He doesn't want to conquer space. He wants to write love letters from it.



“THIS ISN'T A DESIRE TO CONQUER SPACE, IT'S A LONGING TO WRITE LOVE LETTERS FROM IT.”



The now-cancelled #dearMoon project, in which he planned to take artists with him on a lunar flyby, remains one of the more quixotic ideas ever conceived by a private citizen. But again, sincerity undergirds the fantasy. He wanted to give creatives the kind of transcendent experience usually reserved for astronauts and then see what they made of it. Even now, there's nothing else like it. The launch delays and eventual termination of the project are disappointing, but not tragic. The idea lives on as a cultural artefact: proof that even billionaires can dream sideways.

Maezawa is not, in the strict sense, a visionary. Visionaries see the future and build towards it. He feels more like a frequency, tuning in and out of culture, commerce, technology, art, always just a bit out of sync with the moment. His greatness lies not in consistency, but in his capacity to surprise. He is often wrong. Sometimes reckless. Frequently impulsive. But he is never, ever dull.

And perhaps that is what makes him so unnerving to some and so beloved to others. In a nation where humility and harmony are prized, Maezawa is a glittering outlier. But he is also a mirror. In his chaos, we see our own confusions: about wealth, purpose, identity, and ambition. He is what happens when you give a punk idealist unlimited resources and let him loose on late capitalism. Not a tycoon. Not a disruptor. Not even an artist. Just a man with a credit card and a telescope, trying to make sense of the void.

Maybe that's what's most human about him.



“NOT A TYCOON. NOT A DISRUPTOR. JUST A MAN WITH A CREDIT CARD AND A TELESCOPE, TRYING TO MAKE SENSE OF THE VOID.”



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Image: X

NISSAN'S RECKONING

BY PAUL ASHTON



There's a strange quiet in Yokosuka and Hiratsuka these days, not the kind that settles into a place with peace but the kind that precedes upheaval. In the corridors of Nissan's offices and across its storied production lines, the hum of uncertainty is growing louder than the machinery itself. A company once synonymous with Japan's postwar industrial resurrection is now caught in a swirl of financial ruin, strategic reversals, and existential questions about its place in a rapidly shifting global automotive landscape. Nissan is in turmoil. And this time, the usual corporate euphemisms can't contain the truth.

In mid-May 2025, the automaker unveiled the "Re:Nissan" strategy, a title seemingly designed for optimism but one that now reads like a corporate obituary in progress. The plan is ruthless in scope: a reduction in annual production from five million to four million units, closure of seven out of 17 assembly plants globally, and a slashing of 20,000 jobs, about 15% of its entire workforce. And it comes on the back of a brutal fiscal year that saw Nissan hemorrhage a staggering \$4.5 billion, its third-largest loss in history.

But this is not just a financial story. It's a human one.



“THE HUM OF UNCERTAINTY IS NOW LOUDER THAN THE MACHINERY ITSELF.”





In Kanagawa Prefecture, south of Tokyo, the cities of Yokosuka and Hiratsuka are bracing for impact. While Nissan has refused to confirm which domestic plants are set for closure, insiders and analysts point squarely at the Oppama and Shonan facilities. The Oppama plant in Yokosuka is no ordinary site; it has been a part of the city's identity since 1961. The Shonan plant in Hiratsuka, meanwhile, has long served as a production hub for commercial vehicles under Nissan Shatai, a subsidiary. Combined, they employ nearly 5,000 people.

These workers are not anonymous figures in an HR spreadsheet. They are skilled engineers, machine operators, warehouse managers, janitors, and cafeteria staff. They are parents, mortgage holders, and local volunteers. They are woven into the fabric of the cities where they live, shop, vote and raise their children. And if the closures materialise, the rupture won't be confined to Nissan's balance sheet.

A sudden surge in unemployment would place enormous strain on Kanagawa's social support systems. Local tax revenues, which fund public transport, education, and healthcare, would plummet. Neighbourhood restaurants that survive on lunch crowds from factory workers will see empty chairs and empty tills. Property values, especially in the blue-collar districts near the plants, will likely fall. Schools may close as families are forced to relocate. The echo will not just be economic but deeply psychological: a quiet, pervasive erosion of community confidence and identity.

“THE ECHO WILL NOT JUST BE ECONOMIC BUT DEEPLY PSYCHOLOGICAL, AN EROSION OF COMMUNITY CONFIDENCE AND IDENTITY.”



This is not new terrain for Japan. The closure of Nissan's Murayama plant in 2001, part of the original "Nissan Revival Plan", devastated the local economy in Musashimurayama City. It took years of government intervention and retraining programmes to bring any semblance of stability back. And still, scars remain. Many older workers never fully recovered economically. Some younger families left, never to return. It became a case study in what happens when an industrial ecosystem collapses.

Today, that case study is replaying, only this time, on a potentially larger scale. The spectre of these closures looms over Nissan's brand not just as a failing business, but as a vanishing promise. For decades, Japanese industrial giants were seen as paternalistic entities, employers for life, builders of middle-class dreams. That social contract has been fraying for years. Nissan's latest moves may tear it entirely.

And then, as if summoned by the ghosts of the past, a familiar name reappears: Carlos Ghosn.

In 2019, just before slipping out of Japan in a box meant for musical equipment, Ghosn made a dark prediction. He told one of his defence attorneys that Nissan would be bankrupt within two to three years. At the time, it sounded theatrical, a dramatic exit line from a man cornered by scandal and bruised by Japan's opaque justice system. But in 2025, five years later, it feels chillingly prescient.



“NISSAN’S LATEST MOVES MAY NOT JUST SIGNAL A FAILING BUSINESS, BUT A VANISHING PROMISE.”





The company is not bankrupt by the strict legal definition. But it is, by many measures, in a state of institutional collapse. Massive losses, plummeting sales, global overcapacity, and a deeply uncertain future, all cast a long shadow over Nissan's ability to survive the decade, let alone compete in it.

Ghosn's defenders would argue that he saw this coming. His critics would point out he helped engineer the problem. Both can be true. Under Ghosn, Nissan pursued aggressive expansion, particularly in emerging markets. The company aimed to boost global market share from 6% to 8% in six years. To get there, it built plants, expanded capacity and leveraged its alliance with Renault to grow faster than competitors. But it also overextended, building for demand that never fully materialised, creating a production system that now hangs like dead weight.

In his pursuit of scale, Ghosn created a machine that only worked at full throttle. When global sales began to falter, dropping from a peak of 5.8 million units in 2017 to just 3.3 million last fiscal year, that machine turned into a liability. The cost of maintaining it became suffocating.

There's a Shakespearean twist to it all: Ghosn, once celebrated as Nissan's saviour, fleeing justice while forecasting the company's ruin. He said it would fall apart without him. And now it is, but largely because of what he left behind.

“GHOSN SAID NISSAN WOULD FALL APART WITHOUT HIM, AND NOW IT IS, BUT BECAUSE OF WHAT HE LEFT BEHIND.”





What's perhaps most tragic is how little seems to have changed since his departure. Leadership under new CEO Ivan Espinosa is refreshingly candid, but fundamentally constrained. "The reality is clear," Espinosa said in a recent press conference. "We have a very high cost structure." But clarity alone is not a strategy. Nissan is reacting, not innovating, cutting costs, delaying EV projects, shelving capital investments, and even considering the sale of its Yokohama headquarters.

The company has over \$13 billion in cash reserves and another \$13 billion in untapped credit. Yet it acts like a company with a terminal diagnosis. The scale of the restructuring suggests not just urgency but desperation. Even bold ideas, like a proposed merger with Honda, have been fumbled. Talks collapsed earlier this year when Honda proposed making Nissan a subsidiary rather than a true equal. Some analysts still argue that consolidation is the only hope. In an EV-dominated future where scale and software are key, mid-sized automakers without vast R&D and procurement networks may simply vanish.

"CLARITY ALONE IS NOT A STRATEGY, AND NISSAN IS ACTING LIKE A COMPANY WITH A TERMINAL DIAGNOSIS."



But beyond the boardroom, beyond the spreadsheets and analyst calls, Nissan's crisis is playing out most acutely in the market that built it: Japan. Here, the damage goes beyond jobs and plants. It strikes at something far more precarious, reputation.

Japanese consumers are not just buyers. They are stewards of loyalty, deeply sensitive to image, consistency, and perceived integrity. The current optics surrounding Nissan, shuttered factories, massive layoffs, speculation of a headquarters fire sale, project a company in freefall. And perception, especially in Japan, is a fragile thing. Once lost, trust is hard to recover. This is a nation where corporate shame is not just emotional but economic. Brand failure becomes personal. And in this moment, Nissan is flirting dangerously with becoming socially radioactive.

The risk isn't abstract. It's already beginning to materialise. Car buyers, faced with news of plant closures and a cancelled battery plant, start asking whether a Nissan vehicle is a wise investment. Is this a company that will still be here in ten years to honour a warranty? Will spare parts still be available? And if not, why not just buy a Toyota, a brand associated not only with quality but with stability, safety, certainty? Or Honda, Mazda, Subaru, all of whom seem to be standing on firmer strategic ground?

In a country where reputation is currency, Nissan's silence is almost self-sabotage. The best thing the company could do right now is not shrink further into corporate opacity,



“IN A COUNTRY WHERE REPUTATION IS CURRENCY, NISSAN’S SILENCE IS ALMOST SELF-SABOTAGE.”





but to speak clearly and honestly. To explain not just what is happening, but why. To frame the pain as temporary, the cuts as deliberate steps toward renewal, not retreat. Transparency, coupled with a credible long-term vision, could help preserve consumer faith, or at least stall the erosion.

Because without that faith, the real danger is not just job loss or a downgraded credit rating. It's that Japanese consumers, once the bedrock of Nissan's business, will quietly walk away. They won't protest. They won't make noise. They'll just choose another brand next time, a company that doesn't look like it's dying, even if it isn't.

What Nissan needs is not just capital but courage. Courage to confront its failures publicly, to acknowledge the legacy of overreach, to own the present mess and articulate a path beyond it. This is not a time for euphemism. This is a time for narrative control, for showing the public, especially in Japan, that the company still has a spine, still has a soul, still has a reason to exist.

So, what is left of Nissan now?

“WHAT NISSAN NEEDS ISN'T JUST CAPITAL, IT'S COURAGE.”



It is not yet a ghost, but it is retreating. From markets. From ambitions. From promises. What remains is a wounded legacy brand trying to find a future in an industry that no longer cares much for legacies. It has heritage, but heritage doesn't build batteries or write code. It has factories, but factories are useless if they are idle. It has skilled workers, but many of them may soon be unemployed, their livelihoods sacrificed to save what remains of a corporate body slowly hollowing itself out.

In the coming months, there will be numbers. Earnings reports. Layoff tallies. Revised projections. But they will not tell the full story. The real measure of Nissan's reckoning will be found in places like Yokosuka and Hiratsuka, in the silence of shuttered plants, in the anxiety of former employees retraining for jobs that may not exist, in the classrooms with fewer children, in the small shops that will never recover.

Ghosn's prediction was never just about bankruptcy. It was about erosion, of direction, of purpose, of identity. Nissan isn't just restructuring. It is dismantling the very idea of what it once was.

And if it doesn't find something else to become, soon, there may be nothing left to salvage. I, for one, hope that Nissan does what seems impossible and turns the company around. ...and my words of encouragement to the leadership and staff at Nissan? "やっちゃんえ日産" (Go For It, Nissan!)



“NISSAN ISN'T JUST RESTRUCTURING, IT'S DISMANTLING THE VERY IDEA OF WHAT IT ONCE WAS.”





Image: Reuters

THE (FAMILY) EMPIRE STRIKES BACK

BY PAUL ASHTON





Even in a country where dynastic corporate influence is the norm rather than the exception, Akio Toyoda's latest move to privatise Toyota Industries, the very womb that birthed Toyota Motor, reads like a quietly revolutionary act. At ¥4.7 trillion, or about \$33 billion, it's one of the largest buyouts in corporate history. Yet the headlines miss the subtle audacity of the gesture: this isn't just a financial play. It's a narrative play, a symbolic consolidation of legacy, power and perception. It's about rewriting the family myths on his own terms.

There's a distinctly Japanese flavour to all of this, the choreographed ambiguity, the deference to tradition masquerading as innovation, and the eternal balancing act between collectivism and individual ambition. On the surface, it's a straightforward transaction. Toyota Industries, the parts supplier and forklift-maker, will go private under a new holding company largely controlled by Toyota Fudosan, Akio Toyoda's family-linked real estate firm. The rationale presented is an alignment of interests, a simplification of cross-shareholdings, and a commitment to long-term value creation. But beneath the carefully chosen words lies something more primal: a reclaiming.

Reclaiming what, exactly? Control, yes, but not in the Western activist investor sense of wresting back board seats or unlocking shareholder value. This is a deeper kind of control: narrative control, symbolic control. Akio Toyoda is not just a chairman or a businessman. He is the grandson of

“THIS ISN'T JUST A BUYOUT, IT'S A SYMBOLIC CONSOLIDATION OF LEGACY, POWER, AND PERCEPTION.”



Kiichiro Toyoda, the founder of Toyota Motor, and the great-grandson of Sakichi Toyoda, the inventor whose textile loom business eventually morphed into Japan's most iconic industrial empire. With this buyout, Akio is not merely strengthening a grip; he's closing a loop.

The narrative begins, as most powerful ones do, with a family. Toyota Industries predates Toyota Motor by decades. It was Sakichi Toyoda's company, the laboratory of dreams, really, where the spirit of invention thrived. When Kiichiro spun off the automotive division, he did so with the blessing (and the capital) of the parent firm. For decades, Toyota Industries remained a significant, if quiet, pillar of the Toyota Group, its shadow present in the supply chain and cross-shareholding patterns. To outside investors, it often appeared opaque. To those in the know, it was foundational.

However, foundational things often become inconvenient in an age obsessed with transparency, capital efficiency, and governance. Japan, driven by domestic reformers and foreign investors, has been gradually unwinding its corporate cross-holdings. The idea is that cleaner governance yields better accountability, which in turn leads to more shareholder-friendly policies. That may be true in theory, but the consequences are cultural. These structures weren't built for convenience. They were built to protect stability, to enshrine loyalty over liquidity. Their unwinding feels like a slow cultural divorce.

What Akio's move achieves, paradoxically, is a preservation of that cultural memory. By taking

“WHAT AKIO'S MOVE ACHIEVES, PARADOXICALLY, IS A PRESERVATION OF CULTURAL MEMORY IN THE GUISE OF MODERN REFORM.”





Toyota Industries private under family control, he shields it from the antiseptic glare of quarterly earnings calls and foreign shareholder scrutiny. He removes it from the marketplace of competing interests and reabsorbs it into the core narrative of the Toyoda family's vision. It's as much a philosophical act as a financial one: a rejection of the idea that everything sacred must be monetised.

Still, it's far from a romantic move in execution. The buyout was accepted at an 11% discount to Toyota Industries' current market value, a detail that has not gone unnoticed. Activist investors and asset managers have, understandably, raised objections. David Mitchinson of Zennor Asset Management called the deal "very low" compared to intrinsic value, accusing the group of prioritising the interests of the Toyota ecosystem over those of ordinary shareholders. One wonders if that's precisely the point.

Akio Toyoda has never been a purely technocratic leader. His tenure as CEO, which ended in 2023, was marked by a blend of humility and defiance, of steering Toyota through crises while resisting Silicon Valley narratives about disruption and digital salvation. He was always more cautious about electric vehicles than his Western counterparts, prioritising hybrid technology and manufacturing mastery over hyped reinventions. That stubbornness is part of what kept Toyota profitable and globally dominant. This buyout feels like an extension of that philosophy: prioritise substance over spectacle, control over consensus.

**"THIS BUYOUT FEELS LIKE AN EXTENSION OF HIS PHILOSOPHY:
PRIORITISE SUBSTANCE OVER SPECTACLE, CONTROL OVER
CONSENSUS."**





Yet there is irony here. For a company still recovering from governance scandals, including regulatory breaches at Toyota Industries itself, the optics of a discounted buyout led by the founding family are complicated. Kon, the former CFO now helping shepherd the deal, insists this isn't a management buyout but a "commitment to the betterment of Japan." It's a nice sentiment, and possibly true, but also a revealing one. That the justification must be patriotic says much about the sensitivities involved.

In the West, this might be read as a power grab, plain and simple. In Japan, the lines blur. Corporate families like the Toyodas operate on a different axis, one that blends business stewardship with quasi-feudal responsibility. Akio is not just asserting control; he is taking responsibility, stepping into the role of custodian of a legacy under siege by modern financial logic. The backing of Japan's three megabanks, Mitsubishi UFJ, Sumitomo Mitsui and Mizuho, speaks to the establishment's tacit blessing. This is not a rogue move. It is a sanctioned return to roots.

But even sanctioned returns carry risks. The deal's structure, with Toyota Motor investing ¥1 trillion in preferred shares and other group companies divesting to streamline ownership, will dissolve many of the legacy cross-shareholdings. This could be healthy. It could also remove some of the informal checks and balances that kept the group coherent. One of the paradoxes of Japanese keiretsu networks is that their inefficiency

"AKIO ISN'T JUST ASSERTING CONTROL, HE'S STEPPING INTO THE ROLE OF CUSTODIAN OF A LEGACY UNDER SIEGE BY MODERN FINANCIAL LOGIC."



often masks a deeper kind of resilience, loyalty-based rather than purely financial.

The long-term question is whether this kind of consolidation can evolve into something generative, or whether it will simply harden into a defensive crouch. Akio Toyoda is clearly betting on the former. By placing Toyota Industries under a holding structure backed by real estate assets and personally investing in it himself, he's embedding it deeper into the family DNA. The effect could be stabilising, but also stifling if not handled with imagination.

And then there's the cultural message. For Japan, this move is yet another sign that even in an age of reform, the old ways are not so easily discarded. Family still matters. Legacy still matters. The marketplace is a useful tool, not a sacred altar. Akio Toyoda's bid may frustrate investors who want cleaner lines and faster returns, but it aligns with a deeper national instinct that the future can only be built on a foundation of remembered pasts.

In some sense, this is less a business story than a parable about modernity. About how legacy companies negotiate their relevance in an age obsessed with transparency, disruption and global benchmarking. Akio Toyoda, by tightening his grip, isn't rejecting the future. He's simply insisting on entering it as a Toyoda, not a proxy. And in doing so, he's reminding everyone that not all power is financial, not all value is liquid, and not all stories need to be rewritten from scratch.



“THE MARKETPLACE IS A USEFUL TOOL, NOT A SACRED ALTAR.”





Image: The Salt Lake Tribune

NOW READ THIS! WEEBS WILL SAVE JAPAN

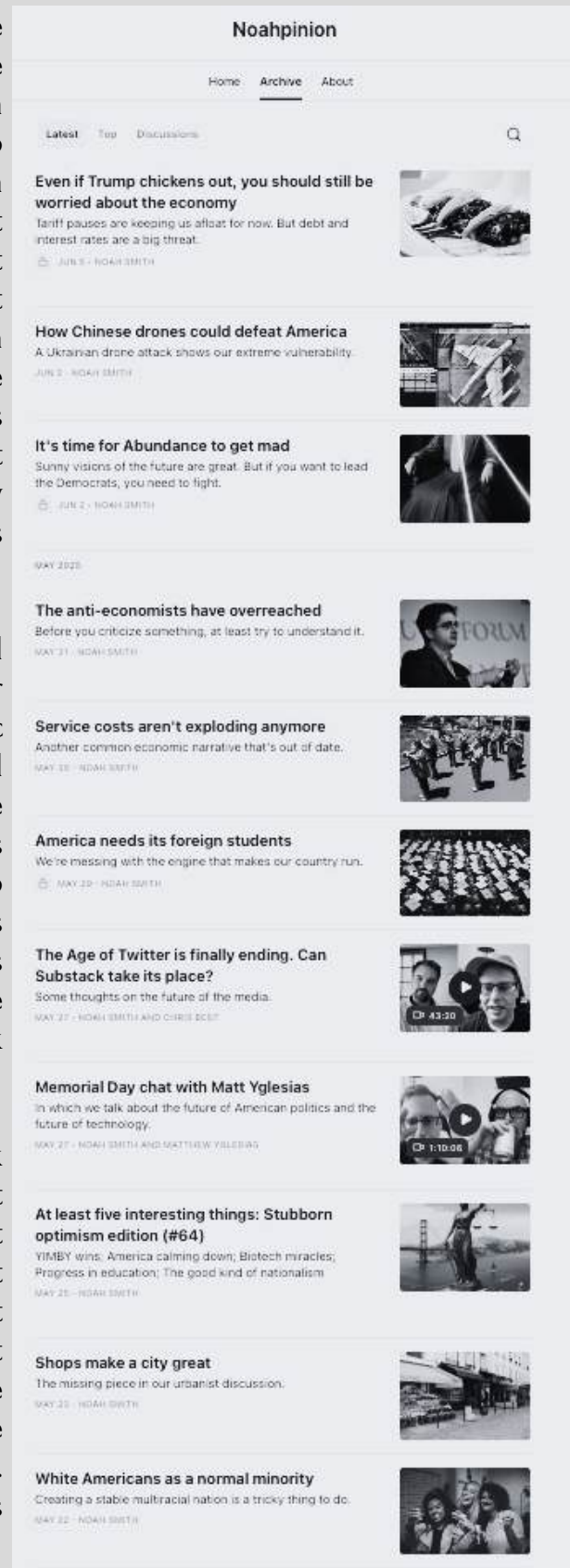
BY PAUL ASHTON



What happens when you hand over the economic prognosis of a nation to someone who isn't just a data-driven economist but a full-blown fanboy? In *Weeb ga Nihon wo Sukuu* ("Weebs Will Save Japan"), Noah Smith attempts exactly that, an attempt that's part think piece, part love letter, and part exasperated intervention. It's a book that ranges freely across industrial policy, urban density, anime, greenfield investment, and the contradictions of Japan's modernity in its ageing phase. It's also, perhaps without intending to be, a meditation on how admiration distorts, uplifts, and sometimes blinds.

Smith is best known as the voice behind *Noahpinion*, a Substack-native commentator who straddles academia and online polemic with breezy confidence. A physics grad turned economist, his ideological home is the centrist-liberal camp, though he's always veering just enough toward heterodoxy to keep things interesting. If Paul Krugman is the high priest of policy liberalism, Smith is the caffeinated cousin with a better meme game and less patience for orthodox restraint.

But this book isn't just another blog-to-book product. Published directly in Japanese, it positions Smith less as a foreign analyst writing about Japan and more as a participant in a shared future. The structure is telling: it opens with Smith's personal origin story, not as an economist, but as a Japanophile. He remembers, vividly and without irony, the moment he realised he would end up here. That autobiographical framing matters. This isn't pure analysis; it's mythmaking.



"THIS ISN'T PURE ANALYSIS; IT'S MYTHMAKING."



The central argument of the book is audacious in its simplicity: that Japan's future might be saved by those who love it most irrationally. Not bureaucrats or business elites, but weeps, foreigners enchanted by Japanese culture, who might arrive not just with dollars, but with dedication. Smith reclaims the term from internet mockery and gives it strategic weight. In his formulation, weeps are not simply passive consumers of manga or anime but potential agents of economic revitalisation: entrepreneurs, cultural brokers, investors willing to learn Japanese, navigate local norms, and plug into a country that desperately needs new energy.

But this isn't a call for Japan to become more "welcoming" in the diluted, performative sense. Smith is precise about this: the goal is not to make Japan easier for outsiders who refuse to adapt, but to lower the barriers for those willing to engage deeply. If anything, he places the onus on the foreign investor to do the work, to learn the language, respect the social architecture, and enter humbly.

From there, the economic spine of the book takes shape around a passionate defence of foreign direct investment, especially greenfield projects. Smith holds up Taiwan Semiconductor's new facility in Kumamoto as a model: capital with strings of skills, training, and long-term institutional memory. These ventures, he argues, are about more than jobs or GDP bumps; they are how global knowledge gets embedded into local ecosystems. The idea isn't to outsource Japan's future, but to hybridise it.



"JAPAN'S FUTURE MIGHT BE SAVED BY THOSE WHO LOVE IT MOST IRRATIONALLY."





And yet, for all his enthusiasm, Smith never fully reckons with the frictions. Environmental disruption, local opposition, and bureaucratic inertia barely register. There's an almost techno-utopian air to his prescription, one that risks sounding like a TED Talk delivered in cosplay. This is Smith at his most optimistic, if not his most grounded.

Where the book really sings is in the detours, the chapters that abandon economics entirely and drift into urban anthropology. Smith's reverie on Tokyo's "zakkyō biru", the messy, multi-storey, mixed-use buildings that pack bars, clinics, bookshops, and hair salons into a single chaotic stack, is a standout. Here, numbers give way to atmospheres. He describes Tokyo as a city designed for serendipity, a kind of algorithmic playground for grown-ups, where getting lost is the point. It's not just efficient; it's enchanting. For Smith, the city's density and walkability are more than infrastructure. They are part of its soft power, an invitation to wander.

These moments are deeply felt, but they also serve as a critique. Smith worries that Japan is slowly scrubbing away the very qualities that make it unique, homogenising its cities in favour of sterile mega-developments, outsourcing urban vibrancy to nostalgia. In this, he becomes not just an admirer but a conservationist of the urban soul.

"TOKYO IS A CITY DESIGNED FOR SERENDIPITY...WHERE GETTING LOST IS THE POINT."





The structure of the book reflects Smith's bloggy DNA. Part one lays out the economic argument, part two explores Japan's changing society, and part three dives into the philosophies of various Nobel Prize-winning economists, a tour that's fascinating if at times tangential. There's a touch of indulgence in how easily the narrative meanders. Smith is a generalist at heart, and the book occasionally forgets what it's trying to argue. But the eclecticism is also part of the charm. It's less a manifesto than a long-form blog post with a binding.

If there's a blind spot, it's the book's reluctance to fully interrogate Japan's ambivalence toward these foreign suitors. Smith largely sidesteps the country's resistance to immigration, the language as a gatekeeping device, or the broader socio-political conservatism that often thwarts even modest reform. There's a hopeful assumption running beneath the book, that if the love is strong enough, if the offer is attractive enough, Japan will come around. But it might not. Cultural affinity is not a substitute for policy reform, and admiration does not always lead to access.

There's also a deeper theoretical undercurrent Smith leaves unexplored: the idea of cultural traits as memetic exports, of weeps as carriers of Japan's "extended phenotype." You can sense this tension in the background, the way anime, architecture, and language function almost like genetic instructions replicated abroad. But Smith never touches that lineage directly, perhaps to avoid the intellectual baggage that comes with evolutionary metaphors. Still, it's a curious omission in a book obsessed with transmission and replication.

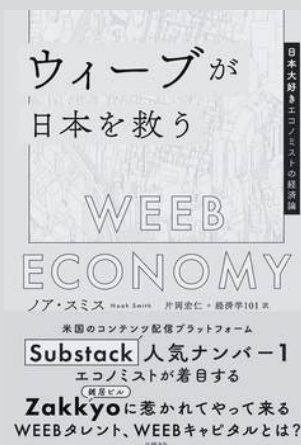
"CULTURAL AFFINITY IS NOT A SUBSTITUTE FOR POLICY REFORM, AND ADMIRATION DOES NOT ALWAYS LEAD TO ACCESS."



In the final chapters, Smith shifts his focus to small businesses and startups, Sakana AI, Visional, Raksul, companies that reflect his belief in nimble, scalable interventions. But the economic mechanisms remain secondary to the emotional thesis: that Japan can still inspire, still attract, still seduce. And in that seduction lies its salvation.

What ultimately holds the book together is Smith's tone. He's wry, generous, nerdy, and never dull. His affection for Japan is not naïve. He sees the dysfunctions, the demography, the debt, the corporate sclerosis, but still believes they can be overcome, especially with the help of outsiders who care deeply and are willing to stay. His is a kind of pragmatic romanticism: he doesn't need Japan to change everything, just to stop turning away help when it's offered.

Weeb ga Nihon wo Sukuu is not a master plan, but a provocation. It asks Japan to reconsider the role of those who love it most, not as tourists or trendwatchers, but as partners. For Japanese readers weary of the "lost decades," this book may offer something unfamiliar: hope, not in numbers, but in affection. And for foreign readers, it's a reminder that fandom, if sharpened into commitment, can be something more than a pastime. It might even be a strategy.



- Title: Weeb ga Nihon wo Sukuu (Weebs Will Save Japan)
- Author: Noah Smith
- Genre: Non-Fiction / Economic Commentary
- Subject: Japan's Economic Revival and Cultural Soft Power
- Publisher: Nikkei BP
- Publication Date: March 21, 2025
- Summary: In Weeb ga Nihon wo Sukuu ("Weebs Will Save Japan"), economist and blogger Noah Smith explores Japan's future through its most devoted foreign fans, blending economic insight with cultural optimism to suggest that revival may come from the outsiders Japan once resisted.

"FANDOM, IF SHARPENED INTO COMMITMENT, CAN BE SOMETHING MORE THAN A PASTIME, IT MIGHT EVEN BE A STRATEGY."





Image: Getty Images

TOKYO'S BRIGHTEST BRANDS ARE BEING FORGOTTEN

BY PAUL ASHTON



In Tokyo, advertising doesn't whisper, it yells. The skyline fizzes with colour and noise, as if the city itself were trying to sell you something. Screens flicker in stations, lifts, taxis, and toilets. Even the shadows are sponsored. Japan's advertising economy is a pyrotechnic marvel, ¥7.67 trillion burned last year alone, according to Dentsu. And yet, beneath the blaze, a quieter truth glows like an afterimage: people remember less than ever.

This is the paradox at the heart of Japanese marketing. A nation famed for *monozukuri*, the craftsmanship of making things with soul and precision, seems to forget that brands, like objects, require craft, not just coverage. The evidence is damning. While spending surges, brand value crawls. Interbrand's 2024 report shows a meagre 4.8 percent rise in Japan's total brand value, barely pacing inflation, far behind the dynamism of global peers. Japan is not short on advertising. It's short on memory.

There's something deeply dissonant about the country that gave us Pikachu, Hello Kitty, and the Walkman, icons with global recall, now struggling to produce even domestically enduring brands. The root is not creativity but structure, a miswiring of budget logic and institutional memory. Japanese companies are trapped in what Les Binet aptly calls the "media-first trap," where the weight of media is confused with the power of meaning. TV slots are bought before a single line of strategy is written. Digital hasn't reformed the system, only digitised its dysfunction. Social video impressions mimic the curves of prime-time TV, while procurement rituals treat ads like commodities: buy more, shout louder, hope for the best.



“JAPAN IS NOT SHORT ON ADVERTISING...IT'S SHORT ON MEMORY.”

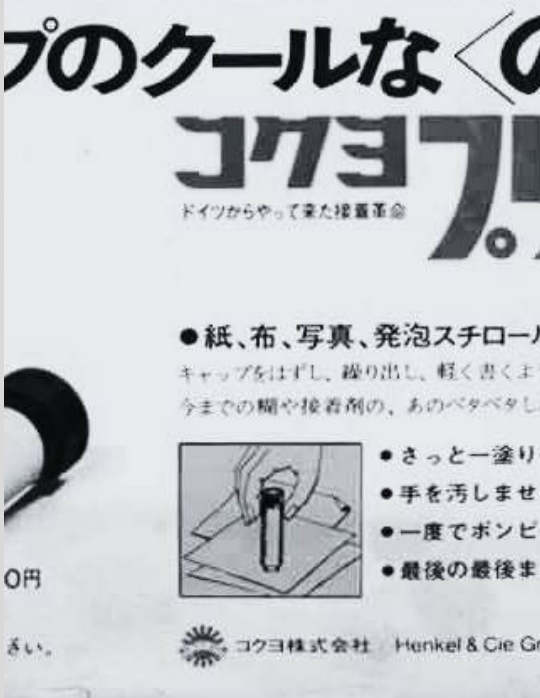




This is advertising as a volume game, not a value game. But in a world of algorithmic feeds and fractured attention, brands built for volume get filtered out. More exposure does not mean more salience. And in Japan, the addiction to media weight comes with an institutional blind spot: who is telling the brand's story?

Too often, no one is.

HR departments, in a bid to produce generalists, rotate marketers every two to three years. Brand stewardship is orphaned in the process. Each new manager inherits a budget but not a narrative, and with promotion cycles demanding quick wins, short-term campaigns proliferate like weeds. The underlying story dies in silence. Japanese brands suffer not from a lack of ambition, but from narrative amnesia.



The results are as predictable as they are preventable. Campaigns tilt heavily toward activation, coupons, tie-ins, influencer bumps, tactics that spike dashboards and delight the finance office but do nothing to build long-term equity. IPA's global databank makes this clear: campaigns optimally split 60 percent brand building to 40 percent activation yield the strongest profit multipliers. Japan runs this in reverse. And like any organism fed steroids, the initial gains turn into systemic weakness.

This strategic misallocation isn't just inefficient. It's expensive. Japan spends lavishly to be forgotten quickly. Ipsos audits of brand assets show that only 15 percent are truly distinctive. The rest, despite massive media support, fail to differentiate. They blend into a blur of similar fonts, colours, and slogans. Byron Sharp and the Ehrenberg-Bass Institute argue convincingly that

"JAPANESE BRANDS SUFFER NOT FROM A LACK OF AMBITION, BUT FROM NARRATIVE AMNESIA."



brands grow not because people love them, but because people notice them. Distinctive assets, a red can, a golden arch, a noodle cup, act like memory triggers. Japan's problem is not lack of creativity. It's the failure to repeat. In a culture that prizes novelty, repetition feels lazy. But for branding, repetition is recognition. Without it, money vanishes into forgettable pixels.

And yet, there are exceptions that prove the rule. Uniqlo, for instance, has turned its "LifeWear" concept into an operating system. Every touchpoint, from flagship LEDs to Paris runways, reinforces the same promise: simplicity refined. It doesn't just advertise; it asserts a worldview. It teaches consumers to remember. Nissin's Cup Noodles has done the same by treating its product silhouette as sacred, embedding it into pop culture collaborations that stretch across generations. These brands don't reset every fiscal quarter. They build.

Why don't more companies follow suit? The reasons are cultural, structural, and tragically rational. Japan's agency model is vertically integrated, with one giant holding company supplying media, creative, PR, and events under a single umbrella. This simplifies coordination but incentivises scale over substance. More media means more margin. Procurement, trained to benchmark cost per point or click, rarely asks: did we build memory?

Worse, Japan's risk culture penalises failure far more than it rewards innovation. Campaigns



"FOR BRANDING, REPETITION IS RECOGNITION. WITHOUT IT, MONEY VANISHES INTO FORGETTABLE PIXELS."





And finally, stop mistaking marketing activity for marketing effectiveness. A flashing billboard is not a brand. A viral tweet is not a strategy. Japan's marketers are drowning in metrics, but too few of them measure memory. That's the only metric that compounds. That's the only metric that buys time.

The cost of inaction is not just wasted spend. It's lost pricing power, lower margins, and vulnerability to disruptors who understand how to rent less and own more. Challenger brands, born online and built around singular ideas, are proving that small budgets, well allocated, can win mindshare. They don't outspend legacy firms. They out-remember them.

Tokyo's skyline, as luminous as it is, masks a deeper dimming. Brands, once anchors of identity, have become flickers of attention. The tragedy is not that Japan can't build global brands. It's that it has forgotten how. And until its largest advertisers start treating brand strategy as a discipline, not an afterthought, the country will keep spending its future to chase the past.

Because in the end, marketing isn't a volume game. It's a memory game. And right now, Japan is losing.

**"MARKETING ISN'T A VOLUME GAME. IT'S A MEMORY GAME.
AND RIGHT NOW, JAPAN IS LOSING."**





Image: Wikimedia Commons

STARTUPS ALONE WON'T SAVE JAPAN

BY PAUL ASHTON



I've spent over twenty years watching from the sidelines as Japan wrestles with innovation. The start-and-stop rhythm of its tech ambitions has always fascinated me, especially when viewed from the outside, where narratives about Silicon Valley often overshadow anything happening in Tokyo. But there's something quietly significant happening in Japan right now, even if it doesn't follow the typical storyline of scrappy founders taking on the world. The uncomfortable truth? The startups alone aren't the main characters. Not yet.

After a recent visit to SusHi Tech, what has struck me most recently is how much of Japan's so-called startup renaissance actually hinges on its big, lumbering enterprises, the same companies so often blamed for slowing everything down. Here me out. The common trope goes something like this: Japan has the talent, the capital, and the market. If only the young people were more ambitious, if only failure were more acceptable, if only the founders thought globally from day one. But what if the issue isn't a shortage of ambition at all?

Take a closer look at the times when Japan historically led innovation, and it's crystal clear that it was never startups driving the show. It was a tightly coupled ecosystem of government policy, enterprise R&D, and a few risk-tolerant mavericks who could tie it all together. That's how Japan led the world in consumer electronics. And again, in the early days of mobile internet. Flip phones, iMode, even mobile payments, Japan had it all long before the iPhone. And yet, when the smartphone revolution arrived, the country stumbled. Not for lack of technology, but because the innovation didn't expand beyond Japan's borders. The ecosystem stayed inward-looking, and that made all the difference.

"THE STARTUPS ALONE AREN'T THE MAIN CHARACTERS. NOT YET."





That failure wasn't just technological; it was cultural, structural. Japan had mobile auction sites, gaming platforms, and even early social networks, but US enterprises turned smartphones and cloud computing into a global substrate for innovation. American companies didn't just build new products; they exported the very conditions for new kinds of companies to thrive: standardised platforms, APIs, developer tools, global payment systems. They made it easy for startups anywhere to plug in and grow fast. This is the real story behind American dominance in tech: not a mystical startup culture, but the relentless expansion of enabling infrastructure. And once that platform was in place, a thousand flowers bloomed. Japan didn't lack ideas. It lacked the ecosystem scale.

And that's where I find myself increasingly sceptical of the "if we just get more Japanese founders into Y Combinator" theory. It's not wrong, but it's not enough. A few bright-eyed founders pitching in San Francisco won't build a globally competitive ecosystem centred on Japan. Not unless they're accompanied and backed by enterprise players who are aggressively building the next generation of core technologies and doing it with global ambition.

To put it bluntly: the next Japanese unicorn isn't going global if its upstream dependencies remain domestically focused. No matter how brilliant the founding team, you can't build a skyscraper on unstable foundations. And yet, for all the energy poured into nurturing startups, too little attention is paid to what's underneath them, the infrastructure, the standards, the policy levers, the talent flows.

"YOU CAN'T BUILD A SKYSCRAPER ON UNSTABLE FOUNDATIONS."





One of the more revealing insights I got at SusHi Tech this year came from observing how Japanese founders overseas struggle to hold onto talent. It's not because they're bad bosses. It's because once a hype cycle crests, the talent moves on. There's a ruthless pace in Silicon Valley, a hunger for the next big thing that you simply don't find in Tokyo. But you also don't find the same level of ecosystem volatility. Tokyo's slower pace can actually be a strength, if used wisely.

Japanese enterprises still invest heavily in R&D. They still believe in patient capital. And increasingly, they're not just investing in startups, they're collaborating with them. That's not a weakness; it's a structural difference. In the US, startup-enterprise relationships tend to be adversarial; the startup disrupts, the enterprise defends. In Japan, there's the potential for something different: co-evolution.

But for that to work, the enterprise players need to think bigger. Much bigger. It's no good nurturing a domestic innovation if you're not willing to push it out into the world. Without that global orientation, the enabling layer remains shallow, and the startups built on top of it will struggle to scale beyond Japan's borders.

There's an old cliché that Japan is a nation of incrementalists. That might be true in some ways, but it also misses the point. Incremental innovation can be compelling if channelled into something with global reach. The problem isn't the incrementalism; it's the insularity.

"THE PROBLEM ISN'T THE INCREMENTALISM; IT'S THE INSULARITY."



In recent years, some government initiatives have tried to nudge things in the right direction. Sending founders to San Francisco, bringing overseas mentors to Tokyo, creating startup campuses. That's all good. Exposure matters. But ecosystems aren't made by exposure. They're made by activity. Dense, interlocking, high-frequency collaboration between people solving hard problems together, that's what builds momentum.

I don't think Japan needs to replicate Silicon Valley. That ship has more than likely sailed. What it needs is to rediscover its own version of ambitious, globally-minded enterprise leadership. And that doesn't mean some vague return to the glory days of Japan Inc. It means a 21st-century version: agile, experimental, outward-facing. It means big companies that act like platforms, not fortresses. It means executives who see startups not as vendors or acquisition targets, but as co-conspirators in solving global challenges.

And yes, that also means policy changes. Japan's employment laws, while rightly protective, can make acquisitions painfully complex and unattractive. There's a delicate balance to strike here; no one's arguing for the American model of hire-and-fire, but flexibility matters. If talented people fear they'll be locked out of the labour market after a failed startup, they won't start. If acquirers are discouraged by the legal friction of post-deal integration, they won't buy. And without exits, the cycle stalls.



"ECOSYSTEMS AREN'T MADE BY EXPOSURE. THEY'RE MADE BY ACTIVITY."



The future of Japan's startup scene isn't about hero founders or a sudden flood of unicorns. It's about the quiet, steady transformation of institutions that were never built to move fast, but which, if realigned, could make all the difference. The good news is, the shift has already started. Founders are less afraid. Enterprises are more curious. The government is more engaged. What's needed now is acceleration.

To make the leap, Japan must embrace the messy, collective process of building an ecosystem, one that includes startups, enterprises, universities, and yes, the government too. It's not glamorous. It doesn't make for neat headlines. But it's how real innovation works.

And perhaps, just perhaps, with this kind of thinking and real-world action in place, the next cycle of global tech innovation won't be centred in Palo Alto, but somewhere along the Yamanote line.



"THE FUTURE OF JAPAN'S STARTUP SCENE ISN'T ABOUT HERO FOUNDERS OR A SUDDEN FLOOD OF UNICORNS."





Image: Netflix

JAPAN BUSINESS ETIQUETTE 101 QUITTING

BY PAUL ASHTON



For foreign professionals working in Japan, leaving a job can feel deceptively simple: give notice, pack your desk, say goodbye. But in Japanese business culture, resignation is less of a transaction and more of a quiet ritual, one shaped by unspoken norms, face-saving language, and the deep importance of group harmony.

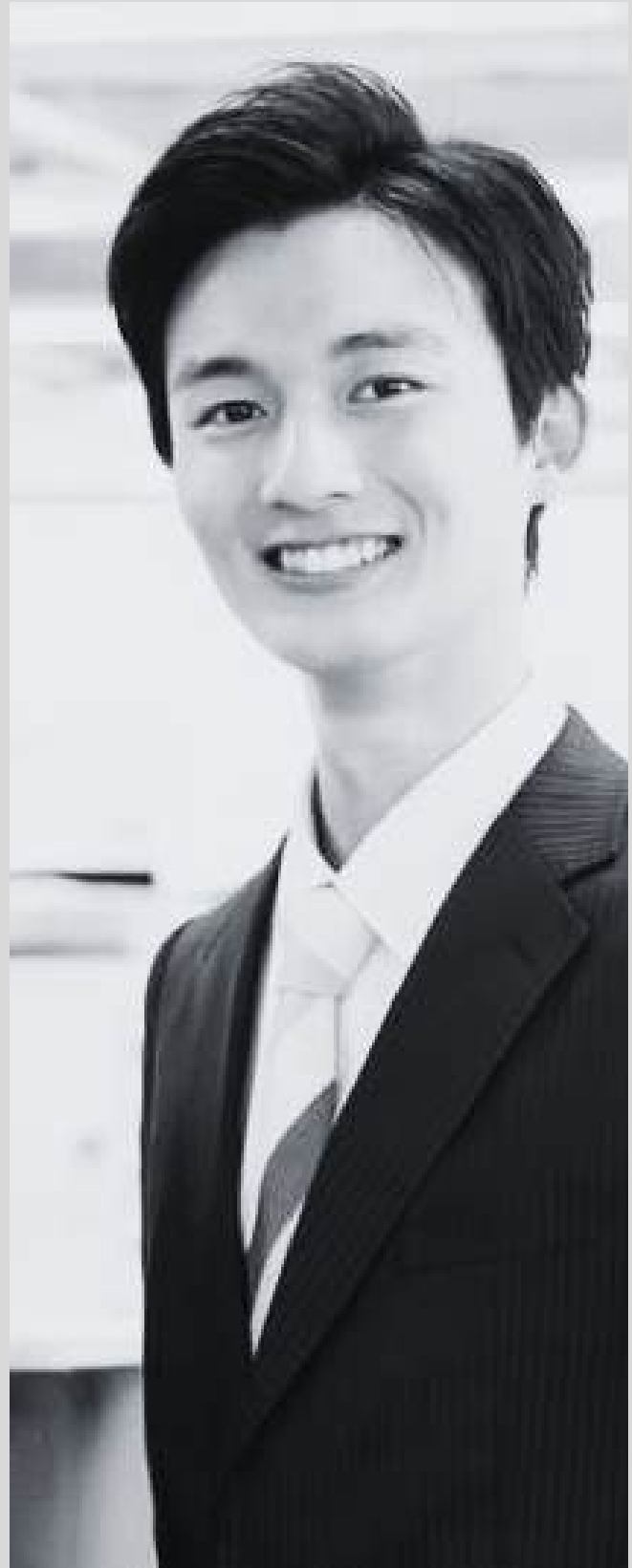
If you leave too bluntly or too fast, you risk unsettling the team, damaging relationships, or closing the door behind you without realizing it. In Japan, how you leave matters just as much as the fact that you're leaving.

Soft Language, Long Notice

Resignations here rarely begin with a blunt announcement. They often start with a private conversation, delivered face-to-face, wrapped in gentle phrasing: "I've been thinking about the future." "Due to personal circumstances..." The goal isn't to obscure your intentions, it's to avoid confrontation, protect relationships, and give the other party space to respond gracefully. Handwritten resignation letters are still common. So is extended notice, four to eight weeks is standard, and longer for senior roles. The idea is to give everyone time to adjust. Time to transition your responsibilities. Time for the mood to settle.

Your Exit Is Everyone's Business

In many Japanese companies, your resignation isn't seen as just a personal decision, it's a group event. Your



"IN JAPAN, HOW YOU LEAVE MATTERS JUST AS MUCH AS THE FACT THAT YOU'RE LEAVING."





departure may create more work for others. It may alter internal dynamics. This doesn't mean you should stay out of guilt, but it does mean you're expected to leave responsibly.

That means tying up loose ends. Creating clear handover documents. Offering to train your replacement, if asked. And thanking your team, not just for the opportunity, but for the shared experience.

Even if you're leaving because of frustration or misalignment, your tone should remain gracious. In Japan, complaints are rarely aired on the way out. Venting may feel honest, but it can backfire. People remember how you exited. And people talk, quietly, respectfully, but consistently.

Farewells Are Formal (Even If Awkward)

You may be invited to a farewell lunch, a team gathering, or asked to give a short speech. Participate. Smile. Accept the awkwardness. These rituals help your team acknowledge the change and preserve a sense of harmony.

You'll likely hear "otsukaresama deshita" again and again, thank you for your efforts. It's more than politeness. It's recognition. Respond in kind. Bow. Keep things light. In Japan, emotional restraint is often a form of respect.

And while there might not be hugs or confetti, there will be subtle shows of appreciation: a colleague quietly handing you a gift, a boss saying something kind just before you walk out. These moments may be understated, but they carry weight.

"PEOPLE REMEMBER HOW YOU EXITED. AND PEOPLE TALK, QUIETLY, RESPECTFULLY, BUT CONSISTENTLY."



Don't Misread the Silence

Foreigners sometimes misinterpret the calm reaction to their resignation as indifference. But the silence often reflects professionalism, or an effort to give you space. In Japanese culture, strong reactions are usually saved for private moments, or not expressed at all. Don't take it personally. Just be steady, sincere, and available for quiet conversations later.

You may find that the most meaningful feedback comes days after you've left, via a message, a coffee invite, or even a former colleague reaching out with a question. These delayed signals are a feature of the system, not a bug.

How to Respond When Others Leave

When a colleague resigns, resist the urge to pry. In Japan, asking "Why are you leaving?" can come across as intrusive. Offer congratulations. Say thank you. If you're close, check in privately. Otherwise, keep things warm but understated.

Gossiping about someone's departure, especially speculating on the reasons, is considered bad form. Protecting that person's dignity is part of your own professional conduct.

A Graceful Exit Is a Long-Term Strategy

In Japan's tight-knit business circles, people often cross paths again. Ex-colleagues become clients. Ex-bosses resurface in new roles. If you've left with humility and care, you're remembered as someone who respects the system, and the people in it.

Leaving a company isn't just an ending. It's part of your reputation. One that follows you, quietly, across the years. And if you leave well, you may not be leaving for good. You're just changing rooms. The connection stays.

"LEAVING A COMPANY ISN'T JUST AN ENDING, IT'S PART OF YOUR REPUTATION."





Shirahige Shrine, Shiga

BUSINESS JAPANESE FOR PEOPLE IN A RUSH

BY PAUL ASHTON



Phrase:

「失礼します」
(Shitsurei shimasu)

Meaning:

“Excuse me” or “I’m being rude.”

This phrase is a polite, ritualistic expression used when entering or leaving someone’s space, interrupting a conversation, or stepping away in a formal setting. It acknowledges the imposition you’re making, even in routine moments.

- 失礼 (shitsurei): “rudeness” or “discourtesy”
- します (shimasu): polite form of “to do”

Usage in Context:

You’re about to enter a manager’s office for a meeting. Even if expected, you knock and say this phrase before stepping inside.

Phrase:

「失礼します。」

Translation:

“Excuse me (for entering).”

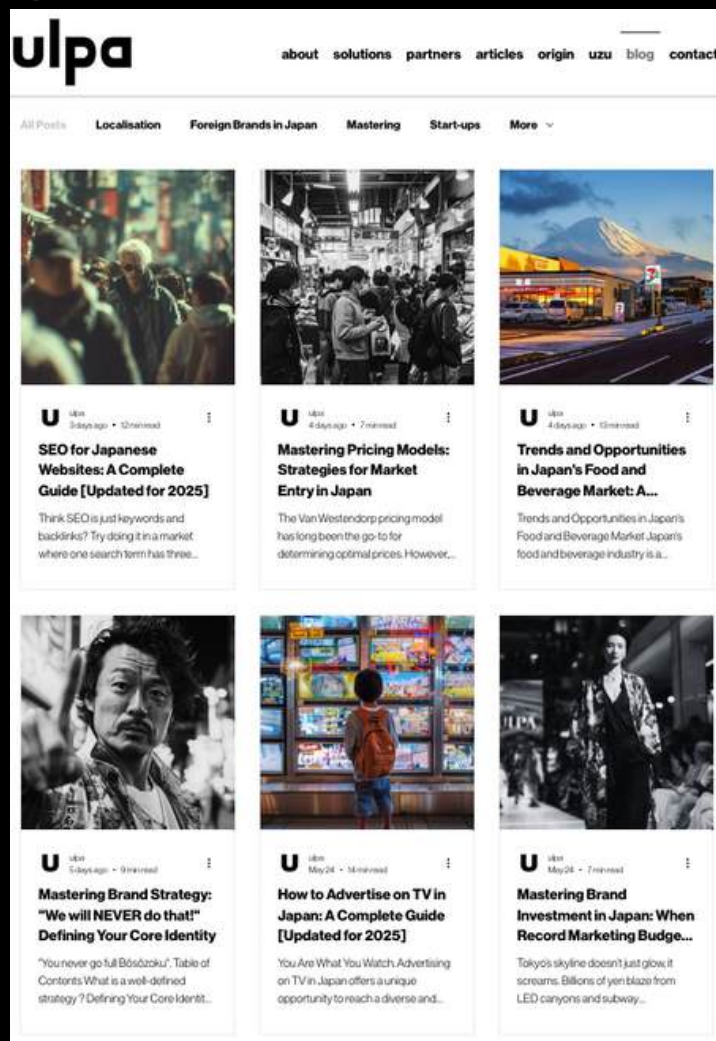
Cultural Note:

In Japanese business culture, the act of acknowledging boundaries, physical or social, is critical. 「失礼します」 isn’t about being apologetic; it’s about demonstrating awareness. Whether you’re joining a Zoom call, entering a room, or leaving a group meeting, saying this shows professionalism. It’s a tiny phrase with outsized importance: respectful, self-aware, and woven into the rhythm of everyday corporate life in Japan.

Use it well, and you’ll signal not just fluency, but fluency with manners.



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