

An Interview with Tatsuo Nishimoto, Deputy General Manager, Urban Coordination Office, Urban Development Promotion Dept., Mitsubishi Estate Co. Ltd.

Japanese Urban Developer Engaged in Reform of Tokyo in Collaboration with the Public Sector

By Japan SPOTLIGHT Editorial Section

Introduction

Reforms are underway in Tokyo and a clearer picture of the future is starting to emerge from the blueprint. The Tokyo Metropolitan Government, its local ward offices and the Ministry of Land, Infrastructure, Transport and Tourism are leading the reform projects, but we should not forget the role of urban developers in realizing these projects, since it is they who are in charge of implementing the public sector's ideas. We were privileged to have an opportunity to interview some private business people working on urban development from Mitsubishi Estate Co. Ltd. This is a story of how business is involved in the challenges facing Tokyo. Our interviewee is Tatsuo Nishimoto, deputy general manager of the Urban Development Promotion Department.



Tatsuo Nishimoto, Deputy General Manager, Urban Coordination Office, Urban Development Promotion Dept., Mitsubishi Estate Co. Ltd.

challenges, such as an aging society, and critical energy and environmental situations. Japan could certainly be a model for the rest of the world in how to resolve such challenges, and people will be interested to see how Japan tackles them and may regard the Tokyo Olympics and Paralympics in 2020 as the best opportunity to learn about possible solutions provided by Japan.

Tokyo is already well equipped with a significantly high level of urban infrastructures. We will not need to develop hardware infrastructures to the extent we did for the first Tokyo Olympics. Instead, we will need to show people another development model towards growth from a mature economy by resolving these social and economic challenges. This model should be founded on renovation of the existing infrastructures and software such as knowledge and intelligence. This model building will be our business opportunity.

Urban Developer's View on Renewal of Tokyo

JS: On behalf of the urban development business, how do you assess the new business opportunities for developers that will be created by the number of projects planned by the Tokyo Metropolitan Government, including those for the Tokyo Olympics and Paralympics in 2020?

Nishimoto: In 1964, the year of the first Tokyo Olympics, Japan was moving into what we call the “high growth era” after its recovery from World War II. Japan was just on the cusp of becoming a developed nation. The first Tokyo Olympics played the role of encouraging this trend. The Olympics and Paralympics in 2020 will have a different role and mission, I believe.

Tokyo is now, of course, one of the most maturely developed cities in the world and it is true that Japan now faces a number of

JS: I believe that the key to taking advantage of the Tokyo Olympics and Paralympics in 2020 will be how to attract business and people to Japan. What do you think will be necessary for an urban developer to achieve this target?

Nishimoto: I believe it will be necessary to facilitate a business opportunity or business-friendly environment and at the same time provide business people with good amenities in order to attract business from overseas. A well-balanced approach to meet both these demands for business persons interested in coming to work in Japan will be vital to show the advantages and merits of Tokyo as a business venue.

I would say that residential accommodation near to the workplace, which is increasingly common around the world, could be one of the best examples of such an approach. However, in the Marunouchi

district, a center of business in Tokyo where our company has been working as an urban developer since the end of the 19th century, rents and land prices are the highest in Japan, corresponding to the value provided by our company. So I imagine it would be difficult to provide residential apartments in the Marunouchi area for foreign business people.

However, assuming that business people in general will need facilities to achieve their missions, we are planning to attract hotels to cater for short-stay business trips, equipped with Meeting, Incentives, Conference and Exhibition (MICE) facilities, or serviced apartments for long-stay business people working for global companies. This is how urban developers are going to try to meet a variety of business needs.

At this moment, it is officially fixed that “Ascott The Residence”, the highest brand of The Ascott Limited, a company running serviced residences in 23 nations, including one that will be established in Singapore in 2017, will be situated in the Otemachi area. We were also successful in attracting St. Luke’s MediLocus in 2012, a clinic that provides medical consultations in English (*Map 1*). So we have been working hard on accommodating a working environment for the interests of non-Japanese business people.

Urban Development Business for Startup Companies

JS: Japan SPOTLIGHT had an interview with Mitsubishi Estate a few years ago on the project called “EGG Japan” that tried to attract overseas entrepreneurs to Japan. What are you planning to do to encourage startup companies from overseas to work with their Japanese counterparts?

Nishimoto: I believe the key to success for big cities will be business opportunities and quality of life. Our company started its urban development business here in the center of Tokyo 120 years ago when there were no streets with business offices in Japan. At that time we aimed at founding a town of business offices that would be the basis of the economic development of Japan on the waves of Westernization in the 19th century. We still continue to be engaged in the urban development of the Marunouchi area.

The area of business offices our company has developed with such resolution has now become the center of the Japanese economy with 4,000 companies and 230,000 working business people. All the leading companies of Japan have their headquarters here. Despite the strength of this area, I think we always need to inspire creativity there in order to achieve the city’s continuous development. Therefore, besides the leading companies’ head offices, we are inviting entrepreneurs willing to start up new businesses here and trying to make it possible for them to find business opportunities. The introduction of such a flow of new business blood would revitalize the area. This is why both leading companies and entrepreneurs are important clients for us.

The “EGG Japan” project you mentioned involves a certain space in the Shin-Marunouchi Building for entrepreneurial tenants from

overseas who have just started a new business in Japan. They have gotten more tenants since *Japan SPOTLIGHT*’s last interview with us and the area space has been expanded. Those startup companies are interested in more global communication to expand their businesses. To meet their needs, we set up a new small-scale premium office space on the 34th floor in the Marunouchi Building last October (*Map 2*). This new office space is called “The Premier Floor Marunouchi”, and two companies from the “EGG Japan” project — “Treasure Data” and “Box Japan” — have moved there.

Other Projects under Progress

JS: What other development projects are in progress now?

Nishimoto: We are going to have a one-stop service for overseas companies setting up offices in Japan as part of our construction project under “The Third Phase of Otemachi Chain Redevelopment”. This service aims to meet a variety of needs of overseas companies interested in establishing a business base in Tokyo immediately in one place. In setting up an office in Japan, they will need to know where best to locate it, how to hire employees, how to pay taxes, and so on. These procedural questions can all be addressed by this one-stop service. It will be our great contribution to FDI promotion to have such a service in our own office space.

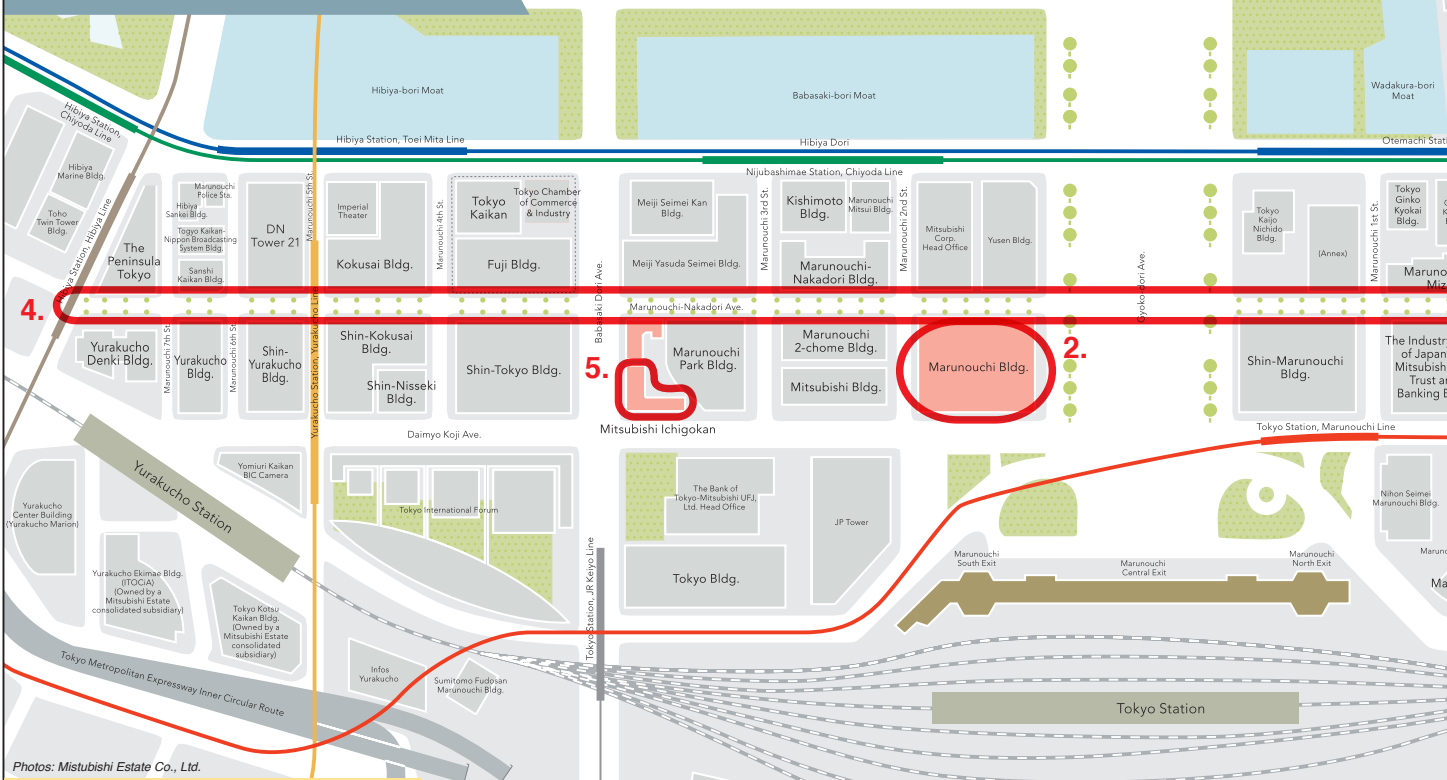
In developing this project, we succeeded in discovering a hot spring on this site. We named it “Otemachi Onsen” (hot spring) and we are planning to introduce a fitness club and make it available to the hotel facilities to be built on the site. In the event of a disaster, it would be possible to enhance the quality of the sanitary environment for officials engaged in rescue activities or the volunteers helping them by opening this hot spring to the public.

In addition, “Hoshinoya Tokyo”, a famous Japanese-style inn run by Hoshino Resort Corp. (*Map 3*), is now preparing to open in 2016. Thus, even before the Tokyo Olympics and Paralympics in 2020, there will be a new place to experience Japanese hospitality in the Marunouchi area.

It is certainly true that there are commonalities among the large



MARUNOUCHI TODAY



Photos: Mitsubishi Estate Co., Ltd.



4. Various events on Marunouchi-Nakadori Ave.



Summer dance festival



Water sprinkling in Summer

2. The Premier



5. Mitsubishi Ichigokan Museum, Tokyo, icon of the Marunouchi district

Mitsubishi Ichigokan Museum, Tokyo, designed by English architect Josiah Conder in 1894, is the first Western-style office building in this district. It was reconstructed on the same lot according to Conder's original plans in 2009 reusing some of the building's interior components. The structure was reproduced as faithfully as possible. Now the former banking hall of Mitsubishi's headquarters is operating as "Café 1894".

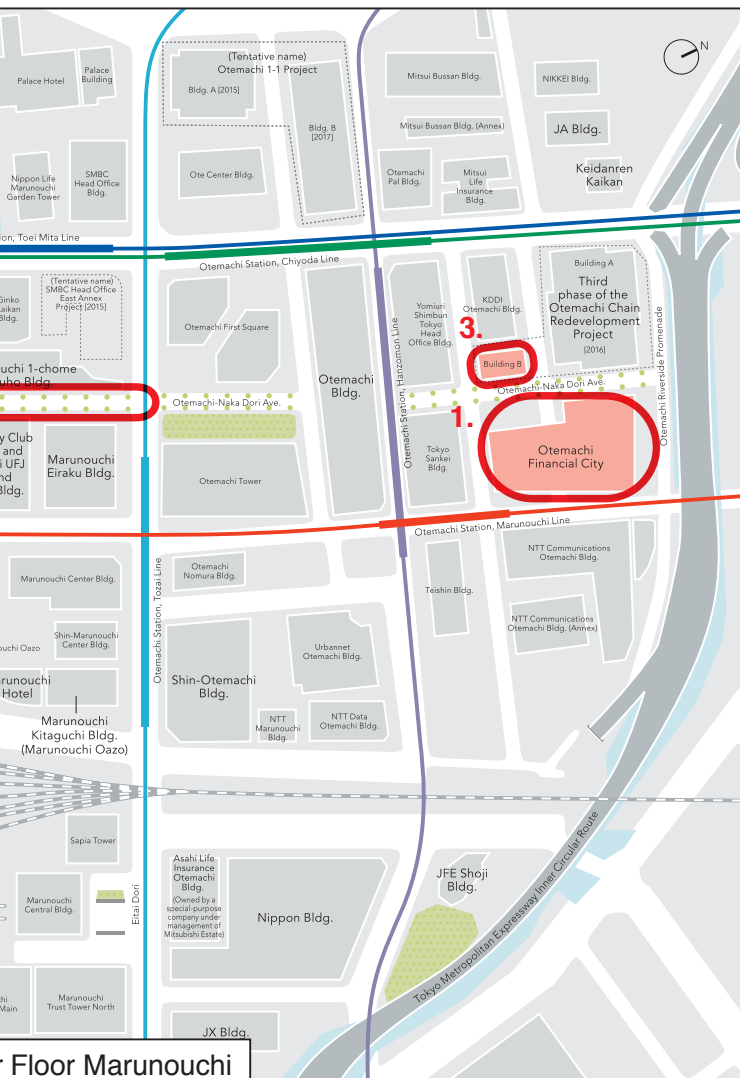


Photo: Mitsubishi Estate Co., Ltd.



Photo: ©Takashi Homma





cities of the world in terms of architectural designs of new buildings etc. and we can hardly distinguish one from another simply by seeing photos of them. But I believe that what attracts people to a city is the local parts. Even in the case of highly modernized cities like Tokyo, we should showcase its local charms.

Boosting Tokyo's Attractiveness

JS: How can we enhance the attractiveness of Tokyo? "Globalization" is definitely one of the keywords in thinking about this, but what about another key phrase — a "barrier-free city" responding to the needs of an aging society?

Nishimoto: How much you can make yourself understood in English and do your business in English will be a key to being a global city. We will need to provide an English-speaking living and working environment to boost the competitiveness of Tokyo in the international community. The availability of English signboards and English menus in restaurants must be a minimum requirement. Whether the family of a foreign businessman can enjoy their life without stress or their children's schools are ready to provide an education program in English will be another requirement for such business people moving to Japan from their own country.

Yes, of course we must show our solutions to an aging society and depopulation. As the Tokyo Metropolitan Government's long-term policy vision shows us, it will be important to create a business environment to meet the needs of social welfare or working women. We will need to maintain the quality of urban life in Tokyo at global standards, at least.

JS: Singapore seems to be one of the most competent rivals of Tokyo as a global city in Asia. Will we need to learn much from it?

Nishimoto: In the past, London, New York and Tokyo used to be mentioned as the three largest financial cities in the world. Now,

1. Floor Marunouchi



1. St. Luke's MediLocus

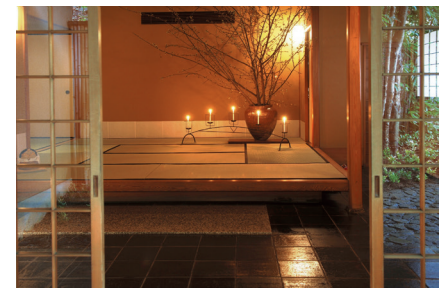
Photo: St. Luke's International University



A lobby close to the entrance

3. Hoshinoya Tokyo

Photo: Hoshino Resorts





The early Taisho period (1912-1926)



Current street gallery

however, Singapore, Hong Kong and Shanghai are also considered.

Singapore is geographically a hub of Asia and since it has no industry and there are very few vested interests there, the government has been leading nationwide deregulation. It also has a large population of Chinese merchants and is a gateway to China. These are unique characteristics that are not shared by Japan and Japan has very little to learn from them.

We believe that the Japanese market has its own particular attractions, namely its stability, safety, low political risk, and voluminous financial assets. We want to strengthen the competitiveness of the Japanese market by our business strategy. We should show business people coming from overseas how they can access business in Japan. The one-stop service that I mentioned would play a role in connecting them to business practices in Japan, helping to interpret for them various regulations and business customs that may be hard for non-Japanese to understand. It would also help their families to adjust to their new circumstances, including housing and schools for the children. Such support in both their business life and private life would enhance the attraction of the Japanese market.

JS: How about the cultural aspects of urban life in Tokyo? Is it culturally attractive as well?

Nishimoto: Yes. I believe Tokyo is a culturally creative city. However, it may not have sufficient means to express its creativity. We have a traditional culture and also a subculture and pop culture, represented by “Cool Japan”. In addition, fashion in Tokyo attracts global attention. The question is whether we can express these creative cultures in terms of visible events full of surprise and innovation.

We are not very used to organizing such events on the streets or in other public spaces, but we could take advantage of deregulations put into practice in the recently adopted National Strategic Economic Zones and organize such surprise events on the streets. For example, we can organize an event now on one of the main streets in the Marunouchi district.

We have already produced an event for a Japanese summer dance festival on the main street of Marunouchi and organized a performance of a Kabuki play in a public space at an art museum.

Thanks to the deregulation programs, we can stage such cultural events and have street vendors' stalls or flea markets on the streets ([Map 4](#)). The deregulations highlighted in the current administration's growth strategy will enable private businesses in Japan and people visiting Japan from overseas to enjoy cultural activities in the center of Tokyo.

Cooperation Between Tokyo & Central Government

JS: How do you work and collaborate with the Tokyo Metropolitan Government and the central government in promoting your urban development projects in Tokyo?

Nishimoto: In starting our urban development projects, all the landowners in the Otemachi, Marunouchi and Yurakucho districts got together and founded a council of cooperation. This was joined by the Tokyo Metropolitan Government, the Chiyoda Ward Office, and the largest landowner, JR East Japan. They created a roundtable of the public organizations and the private entities dubbed “Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development”. They discussed the visions of both private business and the public sector and their conclusions were reflected in a newly adopted guideline for town creation, a new manual of urban development. This is how their discussions will be integrated into Chiyoda Ward Office's city planning and realized as they envisioned. If any new issue arises in the process of promoting these projects, we will be able to discuss it at this roundtable and pursue a solution.

JS: Finally, what do you think would be a unique selling point for the Marunouchi area, as distinct from other parts of Tokyo?

Nishimoto: Tokyo is a multi-core city with a variety of central parts within it, in contrast to some other global cities that have only one central business district. Our area, Marunouchi, is 120 hectares wide and has 70 landowners and 4,000 companies, making it a large community. In this community, we can see the continuous birth of new urban development projects and those making permanent progress in the city. When a building is created, the neighboring buildings supplement the functions missing in this new building and introduce new functions. This happens in a chain reaction and that is how the town is always refreshed and revitalized and becoming more and more creative, making a significant distinction from most other cities in the world.

In summing up, this is the particular charm of our district and it will be further enhanced by public sector-private business collaboration.