



Manuscript for Mr Ryuichi Watanabe presentation on the 16th July 2010.

Bit Hit Movies and what they mean to our communities.

Introduction – Mr. Keita Yamamoto - Head of Tourism for Niseko Town.

Good evening everybody and thank you very much for coming to this evening's town revitalization project. Tonight the speaker for our talk is the president of Fuji Company limited, Mr. Ryuichi Watanabe. Tonight we will be discussing Big Hit Movies and the difference that they can make to our society. To start this evening's talk, I would like to invite the Niseko Town Mayor Mr. Kenya Katayama to say a few words.

Mr Kenya Katayama Mayor of Niseko Town.

Good Evening everybody and thank you very much for taking time out of your busy schedules to come and hear our talk this evening. Niseko is definitely a topic which is on everyone's minds at the moment. In the course of daily business, I visit many different locations and am often engaged in conversation on what is happening in Niseko and what developments are taking place and the direction that we are moving in the future. I am often told about how Niseko appeared in the New York Times and or that it has appeared in a European Magazine, we have people coming to visit our region from all over the world and it is very important for us to stop and think seriously about how we develop our area so it actual becomes the International Resort that we believe it can be. This is very important and should not be taken lightly, we need to put our hearts and minds behind the task at hand in order to reap success in the future, if we do not act now then the future will be bleak, now is the time to implement what may seem

like harsh measures to monitor and control our precious resources but also help us to retain a unique and inviting environment that is desirable to visitors and sustainable for tomorrow. I would very much like to see a Niseko that visitors can truly say from their hearts is amazing and that thought, is my driving motivator at the moment. I can not do this alone! I would like to get together with each and every one of you and create a Niseko for tomorrow together!

Niseko has a very low profile on the world stage, today we have invited Mr. Watanabe to talk about films and the film commission, promotion of a district through the use of film is extremely powerful, through film we can portray a strong image of what daily life in Niseko is truly like. Developing countries such as China and India, still rely on movies as a major form of entertainment and it would be extremely gratifying and exciting to attract film makers into our region to produce movies and increase the knowledge of our beautiful town and district.

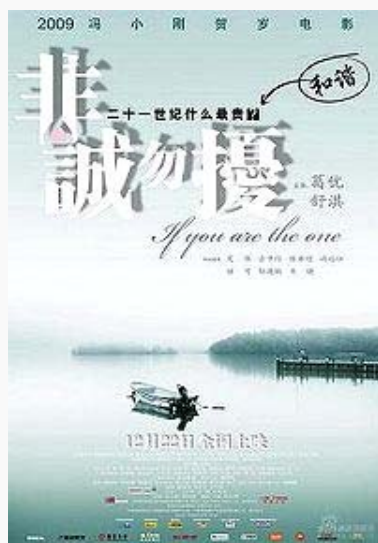
I would like to thank Mr. Watanabe who is extremely busy for coming today and I would also like to briefly introduce to you all Mr. Ito who is the head of Hokkaido Tourism. 'Please put your hands together for Mr. Ito. The town is currently working in conjunction with the Hokkaido Government to secure the rights to a movie that could possibly be a blockbuster when filmed. With the communities support we can make this a reality and with everyone's support we would like to create a brighter future for our town, district and its people. Once again thank you all very much for coming this evening.

Mr. Keita Yamamoto - Head of Tourism for Niseko Town.

Everyone we have gone over time this evening in our introductions, I would like to get this evening talk underway. Tonight's speaker is Mr. Yuichi Watanabe, who was the location producer for the famous hit movie 'Fei Cheng Wu Rao' (Chinese title), 'If you are the one' by director Xiaogang Feng. I am sure that many of would have seen this poster around.

If You Are the One

非诚勿扰



Mr. Watanabe is at the forefront in locating movie locations in Japan and obtaining film makers interest in locations all around Japan. I was surprised to hear from Mr. Watanabe that he was also heavily involved in a town revitalization project in Kamikatsu town in Toyama prefecture, a project that has become extremely well known for its success throughout Japan. When we created the View Plaza complex in Niseko we looked at this project very carefully and a part of our business model was actually based on this model.

Mr. Watanabe's expertise does not stop at the Film Industry, he also travels around the country implementing and creating Town revitalization projects and has assisted and is currently assisting many towns and regions revitalize and reinvent themselves for a brighter future. Tonight we are very fortunate to have Mr. Watanabe here with us.

Mr. Ryuichi Watanabe – President of Fuji Company Limited.

I would like to introduce myself to you all; I was born in 1968 in Kanagawa Prefecture near Tokyo. I graduated from the Meiji University Literature and School of the Arts. I did not really have a very strong connection to Hokkaido, however through my father's role as a secretary for the Tsugaru Shamisen Society, he was positioned in Otaru for a period of time, today I have a Uncle who lives in Otaru, so that is my limited and very small family connection to Hokkaido.

After graduating from University, I started to work for a consultancy company that assisted with the promotion of Hotels and Resorts around Japan. This company also formed the roots of the Recruit Company, successful travel magazine Jaran. I became the Jaran representative for the Karuizawa and Hakuba regions and moved on to become the editor for the Zexi wedding and bridal magazine.

I then moved on to become a Town Development Consultant and was placed in charge of traveling around different towns and villages in Japan (many of which did not have the variety of accommodation options available here in Niseko) and think of ways to economically rebuild the town through effective revitalization projects. It is during this time that I became involved with Film site location. My association with the Film Commission started at this time. I can remember thinking at the time there must be something the people of a district can do in order to secure a film in their town. In the year 2000, the Film Commission launched an enquiry into Films and started to create Film Festivals around Japan. I was part of the enquiry process and it was after this process had been completed that I created a magazine called 'Location Japan' and became the editor in charge of the publication. This is also where I became involved with overseas productions like 'If you are the one' 狙った恋の落とし方 (Nerata Koi No Otoshikata) and a movie called, 'Tsurudake Ten no Ki' working with these filmmakers was inspiring and also caused me to think about Tourism and the impact Film Tourism has on a districts people and the positive movement of local product.

For Town development and sustainability positive cash flow needs to be constant and when that is achieved positive growth can be seen in the community. One thing that has remained firmly in my mind since my days with Jaran, which is quite different to the way in which Jaran operates

today, that is the Target focusing on a market group, it translates to focusing on the way in which your target market think and acting quickly in order to create demand for goods and services.

One of the case studies pertained to young female University students, we were told that if we wanted them to travel and stay in the area's that we were promoting we needed to get into their thoughts and predict trends that were occurring in this group.

An example is when you are going cherry picking it doesn't matter where you go as long as there are cherries, it is important to determine what sets the activity apart from similar activities and to sell it from this view point or to position the activity so it fits into the trends of the current market.

This is called Mokuteki betsu in Japanese and translates to Directive Marketing and has formed my philosophies on community betterment and Economic development. The magazine 'Location Japan' is also based around this method of thought. The readers of this type of magazine are very focused and have a specific interest in the content in order to purchase the magazine, the magazine is reaching the hands of the people that make a difference in the Film Making Industry, often you find the readers of the magazine are interlinked in some fashion.

Los Angeles and New York receive extremely large benefits from Filmmaking and production. It is the visual difference that the films bring to these area's that also gives the film makers freedom to produce. When Tom Cruise filmed the blockbuster 'Vanilla Sky' the film makers were able to empty, the extremely busy Times Square area.

In Los Angeles when 'Independence Day' the film was made the Police force come out in full and actually participate in the filming in full uniform. (This is not possible in Japan due to strict regulation) It is extremely important the entire community get behind and support the Film Makers in their quest to create a blockbuster.

To really understand movies we need to briefly touch on the history of movies, over a period of 100 plus years of filming, Countries have controlled Movie production and Movie topics, a lot of political propaganda was also built into films as governments knew the effects that films had on

the general public and knew they were a reliable source to get messages out into the community.

In China when the film industry first started releasing films for public viewing, 293 Million people attended and watched the first movies, this was in 1979, Japan was ahead of China and a similar thing happened in 1959, movies became very popular. 1970's and 1980's movies by Mr. Ken Takakura, legendary in Japan and often filmed in Hokkaido were widely played at the theatres across China, this has caused a false image of Japan in many ways as the Chinese people remember and relate to the people in the movies, they come to certain parts of Japan expecting to see the people from the movie that they fell in love with.

Education in China has caused a Love, Hate relationship between China and Japan and it is this relationship that says 'a majority of Chinese do not like Japan, but really want to visit'. Japan's image is modified through film and this causes great interest in the Country and the Culture.

In Peking the day before yesterday it was encouraging to see the amount of growth in the Tourism sector, with people waiting in lines outside the Tour Agencies to book product to come to Japan. Most tours have sold out solid until the end of August. There are 14 chartered flights bound for Japan in the next couple of months.

The growth in China and the growth pattern is very similar to that which happened in Japan, where Japan went from Olympic Host to Hosting an International Expo and onto economic success.

The key groups for Tourism out of China are, the children from one child families, the newly rich, the key locations and activities are Resorts and Golf, some families are training their daughters to play golf, just so that they can secure a brighter future, golf is also a sport of great status. Hokkaido features very high on the list of destinations to visit.

There is no reason to promote Hokkaido in China, the Hokkaido image is very strong, and the people want to come anyway. Hokkaido has the potential to become the Hawaii of Asia, Song

and Film have the power to make a destination, the song "Hawaiian Call" became very popular and was changed to the catch phrase "Hawaiian Cool" and no one looked back since. When Jalpak first started offering Tourist product to Hawaii, it became extremely popular to have Hawaii as the prize on a quiz show; it was for many the place that they most desired to travel to but could not quite make it. This caused even more desire to get to the destination.

More importantly for Hokkaido it is time to revitalize what has become a tired Tourism product and put some energy back into really understanding and operating the Tourist product in the area. The scope for visitor numbers exists out of China, but the social level that can be expected is very different and will need fine tuning.

Japan was a nation that was starving for movies after the 2nd world war movies had a huge impact on the Japanese population. A movie house called 'Central' appeared everywhere and the Japanese longed to see American movies.

In China the effect that movies had on the population is slightly different to that of Japan, I will explain this little later on in my talks. I talked earlier about a movie that I was involved with 'Tsurudake Ten no Kai' this was a great example of where the film director choose the location and that is all he wanted, but the attitude and warmth of the people of the district, turned that around and the Director ended up taking the entire package.

In 2006 Mr. Daisuke Kimura came to me and said he would like to film a movie in Toyama and would like me to introduce the district film commission. I can recall saying to him at the time, if you only have the film commission on your side it will not link back to a successful project. I was with the Northern Japan Newspaper at the time as a columnist promoting district filming and local film festivals and through my work, I was able to gauge the communities' opinions on film and film making in their district. Armed with the information that I had collated and the newspaper articles, I went to the District Film Commissioner, Mr. Tadanobu Asano and launched an appeal on behalf of the Film Maker, Mr. Daisuke Kimura, to be able to film in the area and above all to use locals where possible in the production of the film.

With the support of the locals clearly in place and no inherent problems visible the Film Commission agreed to lend its support to the project and this became the turning point for the

Toyama. The Movie grossed 250000 people at the box office, the main character for the movie was decided upon and the production started very quickly. I can not stress to everyone here tonight, how important it is in film production to have the entire community behind you.

When I was doing a lot of work in film placement with the Film Commission some of the things that I looked for in a district were the districts endearing features, In doing this 9 times out of 10, I discovered the people in a district, were lacking a sense of what made their district special simply through many years of exposure to the same thing.

When you are using a Movie for community betterment and economic improvement the things to consider are.

- People in the district do not understand what they actual have in terms of a district.
- They can not see the great things in their district so they do not spread the word.
- Events help communities to come out of their shell and feel good, resulting in positive feedback to outsiders about their district. Things that could not be seen are suddenly very visible.
- When making a movie, small events happen all over the area, this is not possible without local support and knowledge.
- When the movie is finished and the communities have the chance to watch it there is immense enthusiasm in the finished product, which is very different to the enthusiasm of people from outside the filming district. The people are excited and proud to see 'Yamada's house' on the silver screen. This enthusiasm is translated to community worth very quickly and suddenly they become ambassadors for their district and spread the word.

Points to consider when trying to attract Movie business into a District are;

- The movie world is very close knit and both good and bad can be experienced in a filming session.
- When explaining your District to someone, it is important to understand all off the points and not just the points that are relevant to you.
- Scenery is important, but the people are far more important.
- When filming is occurring, memorize the locations and use these in future promotions for your area. Check to see whether photos and other images can be used before using them,

to avoid legal issues with the filmmaker at a later date.

The community benefits.

- You get to understand your community better.
- Revisit what is really special about your area.
- There are chances to meet famous people and even become famous people yourselves.
- Great advertising opportunity that money can not buy.
- A chance to sell local produce and products increase dramatically and the sales can remain constant over the lifetime of the movies popularity.
- It is important to consider the economic impact of a movie; these do not always match expectations.
- There is no need to become overly protective, when filming commences, let it take its course naturally, the directors know what they need and want and you may be surprised with the results.

In relation to Filming in a district, I have covered now most of the points; I would now like to quantify what I mean by some of the points above. Especially in relation to the Chinese Film making industry and the 2008 hit movie, 'You are the one' how many people here have had the opportunity to see the movie? There are quite a few of you which are fantastic. I consider this a very important movie for the people of Hokkaido to watch, it gives great inside to the China of today and the differences in culture, this movie was produced as a New Year special film and 30 million people watched the movie, some people watched the movie more than 3 times. I was in Peking until the day before yesterday and I gauged some people's opinions on the movie and was surprised to find that most knew of the movie has seen it and knew about Hokkaido in Japan.

The movie was also unique in that the main actors where from China, Taiwan and Japan. This movie was filmed with no support from the Film Commission and no information on the filming being provided to the Film Commission either. They came filmed the movie and returned home.

Kosher was chosen simply because the Director had traveled there in the past and had fallen in love with the area and its scenery. The director wanted to film in Hokkaido as Hokkaido has a strong image in China. The location staff wanted to pull Tourism into Hokkaido which

happened in a large way.

The rights are currently being negotiated and the movie will be released on DVD, which will also provide a boost to Tourism in the Kushiro area. I can not emphasize enough how important it is to watch this movie to gain insight and understanding into the thoughts and ideals behind China today, it will help understand what can be achieved in your area and is full of hints in terms of welcoming Chinese visitors.

A lot of Hotel owner's have lost sight of their markets, but with the birth of this new emerging market (China) again they have hope for their survival into the future. Using a film and film production to entice people into a district is also important. After enticing the people into the district there is also the opportunity to link them up with local goods and services and continue to sell to them via the internet after they have returned to their country of origin.

The Japanese Tourism model is very over crowded and extremely hard to understand and negate, this is very difficult to change. If as a country we work on creating a simpler model to work with in regards to China and its future travel, we can speed up and centralize management of inbound tourism from China. Fuji Company Limited would ultimately like to become the agent for all of the Tourism products in a certain area, we would then like to deliver these products and updates pertaining to these products to the Chinese Tour Agents directly, ensuring that they have the latest and most up to date information available.

We have already created many strong relationships with many of China's agents and make regular trips to China to ensure that this information is the latest information in Japan. Processes must be kept simple and easy to understand and operate, by utilizing our services we hope to create very strong growth and above all make money.

Let me explain a little about how my company operates and what it is that we do. In my company all of the key staff apart from myself have worked for Microsoft! You may ask why? It is because of an economic improvement initiative that we undertook in conjunction with Microsoft to create an economically healthier Japan for tomorrow, in a town called Kamikatsu, the towns elderly were heavily involved in the project and we taught them to use the computers to control inventory and record harvest data for the dried leaf project that we were undertook.

We took this project as far as we could possibly take it before we decided the community had embraced the technology and we could retire from our controlling position. It was through this project that I met the executive managing director of Microsoft Japan and it was at the end of this project that we decided to create a company together.

We could see the benefits in the manufacturing processes of the Japanese and the potential of a growing consumer market in China and a slowly developing trend for a higher quality of goods. When we started our company over 2 years ago we initially started advertising into the Chinese market but quickly realized that this was not working, when then started to act as a agent between Japanese companies and Chinese consumers. During the process of settling in the business in China we noticed how under developed the Tourism market was and focused our efforts on the Tourism Market and with my previous experience in Japanese Tourism were able to see results from our efforts in linking Chinese and Japanese Tourism. We operate a members business and provide support to Towns, Businesses and Hotels and Ryokan's (Japanese Inn's).

My company is located in the Ginza area of Tokyo and I can see daily the increase in the number of Chinese visitors and what is even more interesting is the huge change in their shopping and tour contents. These changes have caused huge retailers like Matsumoto Kiyoshi, the famous Japanese Drug Store to look at offering high end cosmetics and even look towards developing their own brand of cosmetics to appeal to the buying habits of these new consumers.

There are many new initiatives that are being implemented daily around Japan to appeal to the Chinese market, there are hotels that are becoming Chinese only Hotels. In Oversea's markets Japan's image is still very confused. My Company is called Fuji Company because of Mount Fuji and the association that people from oversea's (especially China) have with Mount Fuji and also the Shinkansen. Even today the real Japan remains hidden from the outside world.

When in China, I picked up a pamphlet and my jaw dropped, it was advertising a 6 day trip to Hokkaido, visiting the film locations of 'You are the one' The cover of the brochure had the Church that was used in the film and it also had a picture of Furano flower fields (miles away with no real connection and above everything the main part of the brochure featured some

Oiran or Japanese courtesans of which there are none and were none in Hokkaido, this is how Japan is perceived and advertised using a mixture of strong images that represent Japan but not necessarily the location you are planning on traveling to.

On my last trip to China I stopped in at the office of a Magazine that writes about Japan and travel to Japan, the editor receives information everyday on goods and services out of Japan and should be very familiar with Japan, it surprised me when I asked her where she wanted to visit when she next comes to Japan and that was Kaminarimon and the Temples of Asakusa.

The people that are now traveling to Japan, would like a little more than the standard Tourist Trap information as a country Japan needs to refocus its Tourism Efforts. The Chinese traveling recently are in their 20's, these people are part of China's one child initiative. These people have several traits that make them stand out from other people in the area.

They are;

- Internet users,
- White Collar workers
- Travel
- Adaptive to food and culture.
- Population is in excess of 2.2 billion people

With a population like this even the smallest boom seems large.

When taking things to the Chinese market they need to have been things that have sold well in their home market or they will not sell. Do not be tempted to take items that have failed onto the Chinese market they are doomed from the offset.

We are focusing on getting the Hokkaido product well received in the Chinese market as it is easy from all of the previous exposure that Hokkaido has had in China. Hotels and Ryokan are really the stages for a community, they highest and showcase the very best that a region can offer in more ways than one. Offering, Pottery, Local Foods, Traditional foods, entertainment, but as I said earlier domestic demand for their product is decreasing and it is causing a decrease in the amount of Accommodation product in the marketplace.

Town improvement and recovery programs districts make positive cash flow in area's where there was previously no movement.

The project in Kamikatsu town created 3 Million yen every year. This income has generated a well needed buffer for the town, now if there is a incident in the town, the other very positive thing about the Kamikatsu project is that the elderly in the District that are receiving the pension are now also paying tax to the town, demand is also down 33% for medical supplies and services and above everything it is giving the elderly of the district a reason to live their life and a sense of purpose.

I would know like to touch on what other area's of Japan are doing to revitalize their communities. It is important to think of ways to economically improve your community and town first, focus on the economic benefits for the community and then focus on the finer details.

In Okinawa there is a program that has been put in place by a remote town. The education department put together a proposal to get Middle school students on stage entertaining and revitalizing the Okinawan culture for a new generation of people. This program was extremely controversial but once all of the controversy had died down, it ended up turning the community around and created healthy economic growth in the area another upside from the shows is that there are signs of positive immigration demand from other parts of Japan into the area.

1 million plus people visit the shows put on by the students every year.

In Kagoshima, Yaneda City wanted to do something to increase its economic conditions, but the town could not raise any funding from the Government for the program's that they were proposing to put in place. In the group of people that had put their hands up to assist there were many different talents, from carpenters to sake manufacturers, everybody came together to participate in a series of projects to improve living conditions and the economic environment in the town. The group ended up producing on a shoe string budget locally produced specialist products that caught the consumers eye and have resulted in the ultimate result, a far more stable economic environment.

In Hokkaido the best example of the same thing happening is in Mukawa town, where the towns elderly volunteer and are creating fresh produce for market. The Towns motto is 'You are too young to die.' This has caught on amongst the elderly and also the younger people.

Akita, Odate City are creating movies in their district and have co-operative of people interested in participating and have in the process managed to open an Akita prefecture antenna shop in Tokyo. The Namahage monsters that are famous in Akita, make appearances twice daily and have created quite a stir in Akita.

The movies that are been produced have been written by local people and the acting is also done by local people, with movie industry professionals involved in editing the scripts. The movies are broadcast through 24 hour TV channels on the internet. I am involved with the production of one of these movies. When I last visited the area it was just after an initiative to promote the district through Yakisoba, the people in the area are very much behind the initiative and when I touched down my contact asked me up front for 2000 yen and said you are now an official member of the Yakisoba Society. The Yakisoba initiative is somewhat entertaining.

Sumida City in Tokyo is well known for its very industrial environment. The youth in Sumida who are interested in film have joined together and are making productions to make Sumida appeal to the outside world as a interesting place to live and work. The initiative is giving young producers a stage upon which they can share their talents with the outside world and is creating a very positive image of the factories in the district, so much so it is become known as Sumida Cool. The young producers have also forged ties with A University in Peking, they have started communications with Chinese Film producers and in the future a collaboration between the different parties has a basis upon which to grow.

In Japan strong leadership is needed in the different districts in the interests of economic growth and improvement. It is no good waiting for improvements to happen and one person alone can not make the improvement necessary. The creation of community events a great selection of stalls and people coupled with innovative media usage will create the buzz that is needed ending in positive economic growth.

It is important to create targets and focus on them, find out what your target market is looking for

and give the people of your community something to brag about and success will become eminent, that everybody brings my talk for today to an end.