

# Kaz Utsunomiya Talks: MUSIC TO AND FROM JAPAN – Last 20 Years and Next 20 Years –

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#### **Moderator** :

Ken  $\Rightarrow$  Ken Ohtake, President, Sony Music Publishing(Japan), Inc.

#### Guest speaker :

Kaz  $\Rightarrow$  Kaz Utsunomiya, A&R, Executive Producer

**Ken:** Thank you for waiting, ladies and gentlemen. I would like to start this seminar, 'Kaz Utsunomiya, Music to and from Japan, 20 Years to Date – 20 Years from Now,' presented by Music Publishers Association of Japan. I am your moderator Ken Ohtake from Sony Music Publishing and MPAJ.

First of all, I will give an update concerning the recent Japanese music market. We have been struggling on two issues. As MPAJ and JASRAC (a collecting society), we are trying to extend the

Japanese copyright term which has been under discussion for quite a while though nothing has been decided yet. Secondly, remuneration (levy) for videos and home copying has yet to be achieved. Those two issues will be the key copyright issues in Japan for the time being.

Here is a record market update. It peaked in '98, the amount was approximately \$6 billion, and falling to \$3.2 billion last year. There has been a rise in digital though which makes up for the decline of the physical. The year '07 was up 41%, approximately \$75 million.

In music publishing, between 2005 and 2006, there was a decline of 2.2%. However, last year, we recovered, and it was up 4.1%. The total amount is about \$1.1 billion collection.

Current topics include: very limited international repertoire, which means a very strong domestic repertoire's market. One of the reasons for this was caused by the short-term view of the major record companies (such as) in artist development which lacks new artists to suit the Japanese market.

Please note that over 90% of the entire digital music market is penetrated by mobile downloading. Less than 10% are PC download sales. In addition, for the music publishers, there is a chance (for higher revenue) because of a strong yen and high priced CDs. Currently, the CD price in Japan is about US\$32 for domestic artists. If we pitch your songwriter's works to the Japanese artists, and



since some of these artists still sell over one million albums, of course it is a huge benefit for the original publishers and the music writers. A lot of US and UK writers are now writing for the Japanese artists and making a lot of money from them.

Another issue is our recent Japanese music export to Europe, America, and of course to Asian countries. This is continually expanding. For example, the band called L'Arc-en-Ciel sold 6000 tickets in Paris last June, although their records have not been selling that much. Another band called An Cafe went to the top ten in a few Scandinavian countries. There is a lot of demand for anime related music. There are a lot of anime conferences in America and Europe involving so-called 'geek' cultures. I'd

like to remind you that those songs and artists, masters and publishings, are still available in your market. So please speak with the Japanese labels or the publishers.

Tonight, we are co-hosting with JETRO the Japan Night. Three acts are performing. So, please experience the Japanese music which is not traditional, but very contemporary. It's starting at 6:30 p.m. at the Majestic Hotel in the banquet room. I hope you are able to enjoy this Japanese music.

Now, I would like to introduce Kaz Utsunomiya who has been in the music business for a long time. People know how incredible he is though why and how is a kind of mystery. So he will be unveiling his mystery today. I am proud to present my long-time friend, and the most incredible Japanese international music man, Mr Kaz Utsunomiya.



**Kaz:** Hello, I'm Kaz. About six months ago, MPAJ and Ken Ohtake asked me to speak about my experiences over the last 20 years, and what I might be doing in the next 10 years. I thought, however, it is more appropriate to change the title to 'Music to and Music from Japan' as I am one of the very few Japanese having worked in the UK, America and Japan.

It might be a little bit boring just listening to my experiences but through my experiences, it may give you some ideas about how to break artists in Japan and understand music to and music from Japan. Thirty years ago, I was at MIDEM as part of Watanabe Music Publishing Company, and I met Richard Bishop who had a very small independent record label, and with it an unknown band called Hanoi Rocks. I picked up Hanoi Rocks as a publisher. Hanoi Rocks was then licensed to Mercury Records in Japan, and even now Richard Bishop tells me how he was able to buy a house in L.A., and a house in London through the Japanese royalties. This is a good example of how a publishing company could actually be helpful to you in Japan. Also how a band like Hanoi Rocks, then relatively unknown anywhere in the world, except maybe in Scandinavia, could actually break in a country like Japan.

My father told me I was always wasting Japanese people's tax money. My father was a diplomat, and so I went to London when I was small. For my first Christmas, even though I wanted to be a guitarist, he bought me a drum kit and football shoes. His idea was that through football I could make a lot of friends. The good thing about the drum kit was, as my father explained, that everybody seemed to want to be a singer, or a guitarist, and that no one wanted to be a drummer. Every band had a guitarist, every band had a bass player and everybody had a singer but nobody had a drummer. So, as a drummer you could play with five different bands, and thus have five times the friends. (I thought it was very good about him being a diplomat.) He was completely right. So from the age of nine, I was chauffeur driven everywhere as my drums had to be picked up. So not only did I have five times more friends but I was also chauffeur driven. So I'm a little bit spoiled in a way.

When I returned to Japan it was the same thing. At that time, there was a whole kind of hysteria about the guitar bands and there were thousands of amateur bands. Since all the houses were very small in Japan, nobody had a drum kit, and nobody wanted to be a drummer. I returned with a great record collection that nobody else had in Japan (which everybody was excited about), and I became a drummer. (For these two reasons and) Just like in England, I gained five times the friends, and was chauffeur driven everywhere.

At that time, getting into a Japanese state university was really difficult. Coming back from abroad (and not having much of a record from previous school) had it advantages. I got into the Tokyo Institute of Technology, studying thermodynamics, of course all paid by the government which was another waste of tax people's money. My professor was a very interesting person. When I graduated, he said, "Kaz, all the people who do sciences and who do all these technology things are not very good with English. If you are good with English and good with science (at the same time), maybe it adds something to do in the future. So, rather than going to work," he said, "I suggest you should go back to London and do master's and doctorate degrees." I thought that was a great idea because it was going to be all paid by the government again. So I went back to London's Imperial College.

During that time, I had to do something to pay my way so I started to write for an influential

Japanese magazine called Music Life. If you got on the cover of Music Life, you could sell a 100 or 200,000 albums. The magazine helped promote bands like Queen, Japan, Cheap Trick and Girl which became very popular because of their visual appeal.



It was great that I met two members of the band called Queen who were at Imperial College. It really helped me (in getting into music publishing). The band was published and promoted by Misa Watanabe from Watanabe Music. Watanabe decided they were going to start an international publishing division from London. Because I knew quite a lot about the bands (in the UK), Misa-san asked me to run the London part of her publishing company. At that time, I had one band I wanted to sign. It was The Clash. So I went to Misa-san and Shin Watanabe and said if I was able to sign them maybe then I could actually go and work

for Watanabe. I don't think they really understood what I was trying to do, but obviously Misa-san said yes, and that is how I started my days in the publishing company.

And working from London, I was looking after all these bands, especially for a band like Queen which was big in Japan, but not so big in other countries. Being a publisher, the great thing was that you had to do everything. When I went to Japan (with British bands), I had to do the interpreting, deal with the record company, deal with the promoter, even get the bands some groupies. It was more like coordination. I learnt that to be a successful sub-publishing company, it was important to be a good coordinator. That's how I started my music days with the publishing company. We signed The Clash, the Sex Pistols, Duran Duran (who had always come to see The Clash, and they always remembered me), Spandau Ballet, and Bananarama, to name a few.

The Clash was very important to me. They weren't selling that many records in Japan, but I really wanted to promote them. So I'd begged Misa-san, and said "We should promote them ourselves." But the agent was a little bit afraid that maybe Watanabe was not ready to promote this kind of punk band. But then, a very interesting story developed.

One of the managers named Kosmo Vynil called me one day and said "The band's decided to go on strike with the record company, and we have to deal with this." So I said, "What do you mean by the band's going on strike?" He said, "Okay, they are going on strike because they have a little bit of a conflict with the record company." We wanted to co-operate with the record company. So I came up with the idea of putting the album out and doing the world tour to the countries where there is no CBS (subsidiary). I looked at the map and found the places where they did not have CBS were Japan (CBS/Sony was a joint venture, so it was okay that we were in Japan.), Hong Kong, Thailand, India and Taipei. So what we did was we booked the tour in Japan, which was very successful. Then, there was no record company but we put out the records that all the college kids played in universities in Hong Kong, Bangkok and Korea. I think we were the first band who actually toured the whole of the Southeast Asia without having the record out.

Later, I became interested in doing projects on my own. There was a big Japanese TV programme called Hit Studio. Mr Uehara from Fuji Pacific was the director. They used to have a satellite broadcast where one international artist appeared every two weeks. I thought this was a great opportunity and if I could get the coordinating job, I could book all the international bands. We got bands like Bananarama, Tears For Fears, who under other circumstances wouldn't have had very much of a chance to break into Japan. It was a really interesting way of breaking international artists.

As an independent, I shared an office with Simon Napier-Bell and Jazz Summers, who used to manage the band called Wham. I was helping a Japanese band called The Mods with a TV commercial for the blank tape company called TDK. They were big fans of The Clash. When the commercial was completed a guy from Japanese ad agency said he wanted to feature a relatively unknown international artist for next commercial. He saw my picture of Wham in my office and showed some interest. Now the problem was that Wham was with Inner Vision, a small independent company distributed by CBS. Maurice Oberstein, chairman of CBS, was having a big fight against the blank tape. So, the fact that one of their bands was doing a TV commercial to promote a blank tape became a big problem.

Jazz Summers and Simon Napier-Bell went to Maurice Oberstein and somehow got permission to

promote the blank tape. To be honest, I think they never told him the exact truth. The Japanese TV commercial company wanted to do a buyout for the performance fee on the publishing side. The fact that George and Andrew were English guys could be a problem, because he could not do the buyout (due to the rules of UK copyright societies). But, Simon Napier-Bell explained me that there was not going to be a problem, as they had now switched to ASCAP in America. We could go ahead with the buyout. We were eventually able to overcome all the problems. Ironically, the band was paid \$100,000 to do this TDK TV commercial which they then used to sue the record company to get out of the deal.

It was interesting that, in those days, the TV commercials suddenly became a very powerful vehicle to promote unusual international music. One day, I went to Virgin to find some band for a slot for a Japanese Suntory whisky campaign called 'hot whisky'. We had very little budget, only \$3000 for the sync and master sync. Richard Griffiths,



who was running Virgin Music then, gave me a song. The band was signed to his publishing company but didn't have a record deal. Virgin was trying to get the band sign with them but the band wasn't sure about it. The song he gave me was 'Do you really want to hurt me?' which became Culture Club's first big hit in Japan. But it was ironic in a way, because it became more like a theme song for Suntory hot whisky. (By the way, hot whisky - meaning, rather than drinking whisky on ice, you dilute the whisky with hot water to make you warm.)

Because of the success of Suntory with Culture Club, I tried to do it with some very obscure music by the band called Can, and this guy called Holger Czukay who used to be with Can. The music was synced onto a very obscure TV commercial (images) and because it fit so well, the band actually ended up selling 150,000 albums. That was a very powerful way of doing music.

I then decided I wanted to be a manager, so I started to manage this band called WILD AS THE WIND and I did all the rounds with all the English record companies but nobody wanted to sign them.

The last company I tried was Virgin, and I met Richard Griffiths and Ken Berry. They were not quite sure about the band but instead asked me to come and work for them. This was the very early days of Virgin. I admit I was a very bad manager as I neglected the band, and decided to sell myself and joined Virgin. Those were my first days at Virgin.

I had exciting times in those days. Everyone had to do everything. Richard Branson realised that we could make more money being a publisher by using record companies as an asset. We started to sign a lot of bands that were not in record deals, like Pet Shop Boys, Swing Out Sister, Hipsway, Texas, Tears For Fears, Ozzy Osbourne, and so on.

One day Richard explained to me that Virgin was starting an airline, and getting a route to Tokyo. I was told to go to Japan and find the people to run the Japan side of the company, although I had no idea how to do this. They said, "Kaz, don't worry. Go to Japan, and basically find Virgin kind of people. You don't have to find good airline people but find Virgin people."

I went to Japan and sat in meetings for weeks and weeks. I visited the Ministry of Transport. I used to have long hair at that time, and I gave them my name card saying Virgin Records and Virgin Music. Officials from the Ministry of Transport asked, "Virgin Airline has Virgin Records?" And I would say, "No. Virgin Records has Virgin Airlines." That would get them completely confused.

I couldn't find anyone that was the "Virgin" kind. I approached Mr Nakamura who used to work at Japan Airlines, and later joined Watanabe. He was a very good friend of mine. I explained my problem finding Virgin staff for this new airline project. He told me, "Look, that's not how you do it. This is how you do it." He gave me a very good advice.

I contacted Richard (Branson) and said to him, "This is how you do it. The only person who actually gave me really great advice was this guy (Nakamura)." At that time, he was running one of the major travel agencies called Seibu Travel Agent. Richard said, "Okay, if that is the case, maybe you should get that guy." I said, "No, this guy runs one of the key travel agencies." He replied "Kaz, you don't have to come back to London (unless) you get this guy." I said, "I have got a problem. I am seeing this band..." "Forget about the bands. I need this guy." said Richard.

So I told Nakamura, "Richard really wants you." He said, "I have got a great job." Virgin Airline only had two planes at that time and he didn't think it would be realistic to have a route to Tokyo. I asked him if at least he could meet Richard.

So, he agreed to meet Richard. Richard came within 24 hours and sat down. He would not leave until this guy said yes. Richard always got what he wanted. And we started Virgin Airline about three months later. It was the same thing with Virgin Megastore with Marui department-store.

The reason why I gave you this example - my experiences about music to and music from Japan and what I did for Richard Branson in Japan - is the fact that I was involved in everything in doing business with Japan. It really helped me to get to know a wide variety of people (in various sectors) and that eventually helped me to help promote the bands. It was the same when Virgin started to open up a publishing company in America.

Richard Griffiths and I went to America. At that time very few people knew about Virgin Music (in America). Bands like Pet Shop Boys, Swing Out Sister, Terence Trent D'Arby and Tears for Fears were having a great success in the UK which translated to success in America. We were dealing with hip bands, but all the big bands in America were hair bands which I hated. In order to be a success in America, we decided to change our tactics and signed hair bands like Winger and Warrant. We realised quickly we had overpaid for them. A gentleman called Marty Bandier called Richard Griffiths and myself into his rooms, at that time I think it was called SBK. We were told that we were ruining publishing companies in America by overpaying, and that this was not how to do business. However, we knew we had started to have some success in America.

At that time, I came across a tape from Olympia near Seattle in Washington, by Kurt Cobain from Nirvana. I arrived in Seattle and these guys came in real dodgy vans. So I went to their house and they played me a couple of songs which were great. That evening, I went to see the band and they were dreadful. Next day, I went back and he played me all the songs in acoustic style. (There were) facts that I was a Japanese, he liked a Japanese band called Shonen Knife, and also he loved The Clash. I told them all about the story about the strike in Bangkok with The Clash. And we became great friends,

and eventually Nirvana came to sign with us at Virgin Music. Obviously, having a successful band like Nirvana, it really helped to get other bands afterwards like Stone Temple Pilots. A lot of these bands became very much (a symbol) for Virgin Music in America.



I then moved to the Virgin Records side. It was very useful having been a publisher. For a record company, I knew how cooperation with a publishing company could actually break a band. One of the first things we did was sign a band called Spice Girls. At that time, Ichi from Fuji Pacific signed Spice Girls to his publishing company. Ichi knew they had great songs

and we tested the water in Japan. We were after a couple of songs, but the song both Ichi and I thought was great for Japan was the song that eventually became the first single called Wannabe. Fuji Pacific helped us in booking the band into the Japanese TV stations, on the radio and with magazines. I think it was a good example of how publishers and the record companies could actually break artists in Japan.

Right now I am interested in doing a lot of third-party deals. As Ichi says, if you do it right, and through the cooperation of a Japanese publisher in finding the right record company, it could be a great deal of a chance in breaking bands in Japan. With a third-party deal, because you can have a direct relationship with the manager and the record company heads, I think it helps to create a Japanese campaign in its style. A publishing company can be very helpful in finding the right record deals in Japan.

Although recently people are not so positive about the music business, I believe it is still growing. There are more people listening to music, and more music on TV. I think these are very interesting times for publishers and managers. If you are interested in breaking a band in Japan, I think finding the right publisher could be key to the whole thing.

I'm just going to hand over to Ken now to talk a bit about how to find a publisher and record company. I will then finish by talking about breaking a Japanese band in America and Europe.

**Ken:** Thank you, Kaz san. Here is a recent example of breaking an artist in Japan. The artist called Elliott Yamin was discovered by American Idol and signed to a small label in America. He had a decent success but it seemed that his label in America didn't have any affiliation in Japan. He wasn't signed to the record company for almost 12 months after the American release which can harm the artist's development in Japan. At MIDEM however, the publisher introduced one of the big labels in Japan named Avex. This company doesn't have a major affiliation with either American or British major record companies but they have a very strong marketing force. So the music publishing company was able to pair Avex record company and the artist Elliott Yamin successfully.

So I encourage you to approach music publishing companies. They will then guide you to the right record company. Some of the major record companies in Japan are open to direct deals, while some aren't. But the most up-to-date information will be given by a music publisher. If you go out the entrance here, you'll find a directory introducing music publishing companies in Japan, and I think that will help you find the right publisher. That's about it.

Kaz: I think Ken talked about the band called L'Arc-en-Ciel who actually sold out a couple of gigs in Paris. It is very interesting working in America from the other side now. I have started working more with Japanese pop culture. If you see MTV or videos, you will see a lot of Japanese fashion. Japan is no longer about Kyoto and sushi, but more about pop culture, fashion and anime. In the anime world, last year, there was a J-Rock (Japan-Rock) visual band, and with all the makeup, they resembled an early days of Queen. They had three sold-out concerts in the Wiltern Theatre in L.A., selling about 3000 tickets each night. None of these kinds of bands sell any records in America, and they were not getting any place. You didn't see them in magazines. But through the Internet and the anime world, they were able to sell out three nights. Driving past the Wiltern Theatre and seeing 3000 American kids wearing all that Japanese makeup, dressing up like anime characters and stopping all the traffic was very weird. They bought a great deal of merchandise; maybe about \$45 per head which was unheard of.

There is a completely different world where Japanese culture is being penetrated through anime and the Internet. I believe that one day, with the right Japanese band, they will be able to successfully break in America through these things. So you don't actually need to sell records but be big enough with sell-out gigs, merchandising and doing a tour. It could be very interesting.

That's about it for me. I hope some of the things have been helpful, and if you have any questions please ask. Thank you very much.

## Q&A

Ken: Thank you, Kaz. If you have any questions, please let us know, any questions? Yes, please.

Man 1: In your recap, and during your session, we got very valuable information about how to break bands in Japan. I'm also interested in how to actually work with single songs and get songs. You mentioned that the American and UK writers are writing songs for Japanese artists, and so please if you can give some information about how to go



about this? Do we have to get some publishing deals or can we do it directly? How does it work?

**Kaz:** I think there are more and more chances now. When I was at Virgin Music, we had a band called Jellyfish, and there was a guy called Andy Sturmer. Jellyfish was a very popular band but they did not do much work for records and became more like a cult band. Andy was very interested in Japanese culture from the beginning. He ended up being a very successful writer working with a Japanese band called Puffy. The project brought him a good deal of income from Japan.

As a publisher, I used to help coordinate a lot of recordings (in the UK) with Japanese big singers like Kenji Sawada. Through such coordination you can develop a good relationship. In those times, because I used to look after a lot of English bands, I could actually use them to make a record for

Japanese singers. And when you do the coordination, they become your friends, and you are interested in them. There could be a slot for one or two songs for the covers (that a Japanese singer would want to record). I think that co-writing has high potential now in Japan if you have a great publisher and possibly even through the record company. Japanese publishers are very active in trying to get that kind of collaboration. Does that answer your question?

**Woman 1:** Hello. This is an historical question. This is something that I would love you to give us your opinion on. In hindsight now, all these years after Richard Branson sold Virgin to EMI, do you think he made a mistake or do you think he was right to sell-out of the music business and just go into the airline?

**Kaz:**... and no royalties, right? So suddenly when a big band appears, we have to pay the royalties. We need an advance from all the international companies to pay for those royalties. Before Richard sold Virgin, we actually sold a part to Fuji Sankei Group, 25%. At that time, the airline was almost going to go bust. I don't think he had any choice but to sell Virgin just to get out from bankruptcy. He has turned round the company now. Ken Berry very successfully inherited Virgin culture after the sales to EMI and made it very prosperous. But when Ken left, I think that was the end of Virgin culture. Woman 1: It was a sad loss for the music industry that such a fantastic independent company was gone. But just in case anyone here doesn't realise, I think EMI kept on most of the principles of Virgin within EMI.

**Kaz:** Ken can answer the question from the record side, from the Virgin side, when Virgin got sold to EMI, Marty was running my publishing company.

**Kaz:** We all believed that that this was the end of Virgin Music, it was all going to be absorbed into EMI. However, Marty knew the culture of Virgin and he was actually really great in keeping Virgin independent. Suddenly now, EMI and Virgin Music (which is part of the same company) had two

different fishing nets. So when going after a band, the band might not show much interest in EMI but be more interested in Virgin, and the opposite might be true. Hi, Seymour.

**Man 2:** You've talked a lot about how when you went to Japan you had to find Virgin people. So obviously culture was a huge part of Virgin. Could you define it a little bit? What was the Virgin culture, and what advantages it gave you?

**Kaz:** I think Virgin had a culture of its own. All the people who used to work for Virgin had different personalities. Whether it was Ken Berry, Simon Draper or Richard Griffiths to Steve Lewis, Phil Quartararo, Jeff and Jordan, all the people ... it was almost like a coalition of independent publishing companies or independent record companies. Definitely I can tell you that everyone did have a personality there.

I think Richard, Ken and Simon were very great in picking those kinds of people. When we go and ask questions like "What do you think? Should I sign this band, or not?" They would say, "We hired you to do the job, and if we had to answer that question, you wouldn't be here!" They always said that. They never blamed us even if we made a mistake. Sometimes when you work for a big organisation you have some kind of fear with your bosses but there was never fear within Virgin, and that is what kept us going.

Ken: Thank you. Any other questions? That's about it? Yes, the lady in the back?

**Woman 2:** I am Barbara Orbison. There was an artist Roy Orbison that was signed by Virgin. So I know Kaz really well. And concerning the last question, there was magic at Virgin in those days. When I get on an airplane and fly with Virgin, the stewardesses and everybody are so kind. Richard has incredible luck with finding people and talent that all comes out of the same school. Roy called it his Virgins. When we would land in Belgium or anywhere in the world, and we might not have met the

Virgin director or president of that particular country, we always knew the way they looked. When they came, if there were 10 lined up, they just looked a different way. They were all talented, kind, creative and they coloured outside the lines. And Kaz, I want to thank you for that, and Richard and Jeff and Jordan and wherever all of us might be. I am in total applause of a culture that worked, thank you. And we sold lots of records!

Kaz: Yes we did.

Ken: Thank you Mrs Orbison. Any other questions or other comments? Yes, please?



**Woman 3:** Hi, my name is Clara Ponty with Eon Records. I have a quick question. If I understood correctly, in order to break an artist in Japan who may be on their fourth album in another country, you are suggesting that they go to a publisher first, before going to a Japanese record label, is that right?

**Kaz:** Well, I think it's one of the ways. If you don't know the record companies, you probably need someone to guide you to the most

suitable company. Some record companies may be good for certain things, and some record companies aren't so good. A publishing company can help prevent you wasting time approaching the wrong record company, and put you in the right direction with a suitable record company, and guide you to a certain person within that record company.

Woman 3: You mentioned Avex. Are a lot of the publishers here at the MIDEM in the book provided?

Ken: Yes, there are a lot of publishers here at MIDEM.

Woman 3: A lot of Japanese publishers?

**Ken:** Yes, a lot of Japanese publishers are here. Labels are here, too. This book, the MIDEM guide, will give you some information but you can ask some of us personally after the meeting.

Woman 3: Thank you.

**Ken:** Ok, time is approaching, so thank you very much for being with us, and hope this was educational and enjoyable. And please do enjoy the rest of MIDEM. Thank you very much.

Kaz: Thank you very much.

- END -



www.mpaj.or.jp

Music Publishers Association of Japan 2-27-25 Minami Aoyama,Minato-ku,Tokyo 107-0062 TEL.+81-3-3403-9141 FAX.+81-3-3403-9140