

Q&A

With **TAKAMIKI NISHIKAWA**, senior counsel at Fox Networks Group Japan



Q WHAT IS YOUR ROLE AT FOX?

A I'm head of legal at Fox Networks Group (FNG) Japan and also look after Korea, as it's close by and carries much of the same content. I qualified in law in Japan and have worked in private practice, and for Japan's trade and economy ministry, on bilateral and multi-lateral trade deals such as the Doha round, which may not be concluded in my lifetime... As for Japan, as everyone knows our growth has been flat for a long time – we are not the powerhouse we once were, but a gradual decline is not so bad. I also worked for fashion house Ralph Lauren before joining Fox. One similarity is piracy: there is a lot of counterfeiting in the apparel sector.

Q WHAT KEEPS YOU BUSY AT FOX?

A In countries where Fox Networks has a footprint, there is an increasing amount of compliance work to keep on top of, such as Sarbanes-Oxley, the Foreign Corrupt Practices Act, the UK bribery act – this is taking up more and more of lawyers' time in many firms now, especially if they don't have a compliance department.

Q WHAT IS FOX'S REGIONAL PRESENCE?

A We are about the largest pay TV company but still quite small in both Japan and South Korea, where the big

terrestrial broadcasters remain dominant. These are markets where people are used to free content, and now over the top (OTT) is also around, although again it hasn't taken off nearly as much as in the US, for example. Japan, like many other countries, also has restrictions on foreign ownership of the media, so it is difficult for overseas companies to break in but in the meantime we have not seen any big new broadcasters here for many years.

Q WHAT CONTENT IS IMPORTANT IN THESE MARKETS?

A Japan isn't like say the UK, where sports rights are critical – here rights are hard to get and it's a fragmented market and still mostly free for consumers. We do have a sports channel, which used to be run as a joint venture with Japan's Softbank. On movies, Hollywood isn't as popular as it was. Local content is important, and South Korea has long had a rule that 40% of broadcasting has to

be produced locally. That's meant a boom for Korean producers but doesn't guarantee that the quality is always good. There is no such rule in Japan, but we have a rapidly ageing market and young people don't watch as much conventional TV as they used to – and there aren't as many of them around in any case. It is a challenging time for broadcasters.

Q WHAT ARE FOX'S STRENGTHS?

A To get a broadcasting licence in Japan you need a mix of content, not just sports, for example. We don't have a news licence, but we do have varied channels under our entertainment banner, and some like the National Geographic Channel are seen as high brow and educational by our Ministry of Internal Affairs and Communications (MIC), which stands us in good stead.

Q EQUIPMENT MAKERS HAVE A SPECIAL POSITION...

A Yes, one unique factor in Japan is the fact that the manufacturers of TV sets have a big say in how the industry develops because they are providing the market with the latest ultra-high definition 4K and now 8K sets, and so need the content. Sony, Toshiba, Sharp and others drive a lot of the debate here about content and regulation.

Q IS CENSORSHIP AN ISSUE?

A Censorship in Japan is non-existent, although technically the communications minister has authority to prohibit certain content. South Korea is more sensitive because of historical and geo-political issues, as it has a dictatorship north of the border, and relies for over half of its trade on China. What's more of a problem for us is piracy, which 21st Century Fox is committed to helping to stamp out globally, especially through legislation that blocks websites with illegal content. It would be a big step if Japan passed such a law, as South Korea and Singapore have done, for example.

Q IT SOUNDS LIKE THE FUTURE LIES IN OTT...

A We are all still experimenting with it in the region – Netflix launched in Japan and Korea but its footprint isn't as big as in the US and UK. We do have some streaming services for existing channels. I was involved with Star India's Hotstar service, which is going strong and we'd like to bring a similar free advertiser model to Japan but the content is the key.



We are committed to stamping out piracy with laws that block websites with illegal content.