

but it is not that "we are seeing the average spending of each customer rising dramatically."
 "Japan is still struggling with deflation" and the tentative signs of an economic recovery are largely dependent on government stimulus measures, Tsumura said.

come world No. 1, has seen its reputation severely tarnished by a litany of complaints ranging from unintended acceleration to brake failure and

revelations about accelerator problems.
 "And our own personal experience? These cars that we've had have been excep-

blowouts that led to more than 250 traffic deaths.
 People need time to digest bad news, so companies shouldn't try to start selling

ma and promised to improve quality control to win back the trust of consumers rattled by its global recalls.
 Toyota also expressed con-

cent trip to China to speak about safety issues. "I asked for further efforts to firmly boost confidence," Hatoyama said, adding faith in safety is key.

Exports boost January current account surplus

KYODO

Japan saw a current account surplus of ¥899.8 billion in January, compared with a record deficit of ¥132.7 billion a year earlier, as exports recovered at the fastest pace on record, the Finance Ministry said Monday.
 The current account, the broadest gauge of Japan's trade with the rest of the world, stayed in the black for the 12th month running, the ministry said in a preliminary report.

The balance of trade in

goods and services posted a surplus of ¥37.3 billion, a turnaround from the ¥1.057 trillion deficit a year before.

The year-on-year expansion was the largest since January 1986, when comparable data became available.

The surplus in merchandise trade stood at ¥197.2 billion, compared with a deficit of ¥844.8 billion a year earlier.

Exports jumped 40.6 percent to ¥4.617 trillion for the second straight month of expansion. The year-on-year growth for exports was also the largest on record, as Ja-

pan saw a steady rise in shipments of cars, auto parts and high-tech products to China and the rest of Asia.

Imports turned positive for the first time in 15 months, up 7.1 percent to ¥4.42 trillion, partly because the average import price of crude oil rose about 80 percent from a year before.

"It is almost certain that Japan will continue to post a current account surplus because the pickup in overseas demand is much stronger than that in domestic demand," said Norio Miyagawa, senior

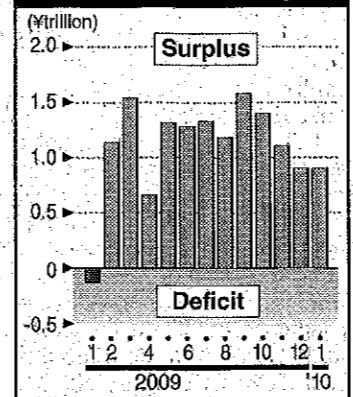
economist at Shinko Research Institute.

"The Japanese economy has been driven mainly by external demand from Asia, and this trend will continue for some time," he said.

The dramatic improvements in current account figures in the reporting month are also largely attributable to favorable comparisons with the previous year's figures.

On a year-on-year basis, the current account in terms of value recovered at the second-fastest pace on record. In January 2009, mired in the

Current account surplus



KYODO GRAPHIC

global financial crisis, Japan posted a current account deficit for the first time in 13 years.

TSE probes Fujitsu chief's departure

KYODO

Tokyo Stock Exchange Group Inc. has begun looking into why Fujitsu Ltd. changed the reason given for the resignation last September of its then-president, TSE officials said Monday.

A change in publicly released information regarding a company president's resignation is quite unusual, so the TSE is asking Fujitsu to confirm the facts, the officials said.

The major electronics maker first said Kuniaki Nozoe, who stepped down last September, did so for health reasons.

But on Saturday, the company retracted the earlier statement and said Nozoe quit because he "continued to maintain links" with corporations the company believes it inappropriate to be involved with.

The TSE requires companies whose shares trade on its bourse to provide accurate information and it can impose sanctions if it finds problems in the way a firm provides information to the public, in order to protect investors.

February business failures down 17%

KYODO

Corporate bankruptcies fell 17.29 percent to 1,090 in February, stretching the streak of monthly year-on-year declines to seven, a credit research firm said Monday.

Debts left by failed firms also fell sharply, with related liabilities plummeting 64.29 percent to ¥438.83 billion as more credit was made available by government stimulus measures and a new law aimed at assisting smaller firms, Tokyo Shoko Research said.

Debts plunged 83.14 percent compared with January, when Japan Airlines Corp. filed for bankruptcy protection in the biggest nonfinancial corporate failure in postwar history.

In February, Willcom Inc., a provider of personal handy-phone system services, became the largest telecommunications bankruptcy, with liabilities of ¥206 billion.

Bankruptcies declined year-on-year for a second consecutive month in all nine geographic regions covered by Tokyo Shoko Research.

By sector, failures rose in four categories — financial and insurance businesses; information and telecommunications; agriculture, forestry, fisheries and mining; and others, including services.

Large-scale bankruptcies, defined as those involving at least ¥1 billion in debt, tumbled 61.4 percent to 37, dropping below 40 for the first time in 19 years.

According to Teikoku Data-bank, another private credit research firm, corporate failures in February totaled 966.

Entrepreneur fosters others via consultancy

Minoru Matsutani
 STAFF WRITER

Couleur Hldgs President Kentaro Matsuda has always had a nose for business.

The 31-year-old from Kagoshima Prefecture, whose company provides online support

WISDOM OF ENTREPRENEURS

to retailers and other companies, grew up watching his entrepreneur father, who ran a real estate business and other endeavors.

"When I was an elementary school student, I saw my father working and thought he was cool," Matsuda said.

Inspired by the lyrics of singer-songwriter Tsuyoshi Nagabuchi's "Tombo" ("Dragonfly"), which says, "Carrying a thin bag I went north," he came to Tokyo right out of high school, not for college but in search of opportunity. But in three short months he realized that the doors to business remain closed to people lacking a college degree.

So in July 1997, Matsuda be-

gan studying to enter Aoyama Gakuin University in Tokyo, qualifying in April 1998.

But unlike many of his classmates, Matsuda wasn't looking to become a salaryman at a big corporation. Instead, he chose to let his interest in surfing set his career in motion. He realized leather bracelets were popular with surfers in Hawaii and set up a company with three partners to import them in July 1998.

"The bracelet business turned out to be a big hit. I couldn't concentrate on studying because I was so busy," said Matsuda, who dropped out of college in March 1999.

But Matsuda's bracelet business soon ran out of steam and he was forced to close in June 2001.

Undaunted, Matsuda started working for Venture Link Co., which helps retailers expand their franchisee network, the following month.

His time at Venture Link showed him how to manage companies, he said, but Matsuda wanted to learn how to sell. So in July 2004 he moved to Livedoor Marketing, a subsidiary of Livedoor, then headed by Takafumi Horie.

In November 2007, he left Livedoor Marketing and founded VMadvisors Inc., which helps retailers boost sales via the Internet, exactly same thing as he did at Livedoor Marketing. But in its first year, VMadvisors was restricted to consulting due to a noncompetition agreement Matsuda signed when he left Livedoor.

Matsuda went on to buy related businesses in order to expand VMadvisors. Couleur Hldgs was one such acquisition. But because Couleur, now 100 percent owned by Matsuda, was the bigger firm, he had to make it a holding company, he said.

Couleur Hldgs controls VMadvisors, Hamsa Partners Inc., Bump Co., DT Inc. and Archimedes Co.

Hamsa is an advertising agency. Bump is a call center and provides various support services to clients. DT develops computer systems and Archimedes offers mobile phone marketing services.

The business mix of these subsidiaries enables the group to provide a package of Internet marketing services to customers, mainly retailers. That

is what sets Couleur apart from its rivals, Matsuda said.

"Our concept is revenue-sharing," Matsuda said. His company shoulders the cost of setting up systems, offering in exchange to share revenues with clients, who can start Internet marketing ventures at low cost because Couleur can provide hardware, Web site development and maintenance and other services, he said.

Couleur's clients include companies selling health supplements, cosmetics and other products, as well as professionals, including lawyers and accountants. Some 80 percent of his customers had tried to market their products and services online on their own but gave up because of poor results, he said.

Matsuda chose the revenue-sharing model because he liked the idea of helping entrepreneurs.

"My idea of being an entrepreneur is to do a business that makes enough profit to cover initial investments in six months or a year. I want to turn out as many entrepreneurs as possible," he said.

He is not planning to take

Couleur, capitalized at ¥50 million, public anytime soon, although investment bankers have asked him to do so several times.

"I don't see the point of going public now. There is no major investment plan and the company's size is not that big," he said. Couleur posted sales of ¥1.5 billion in 2009, and Matsuda wants to raise that to ¥10 billion within four years.

"Now that the economy is not looking good, demand for outsourcers like us will be increasing. I want to grab that chance," he said.

Matsuda now seems to be enjoying success, but he sounded a cautious note, saying he has experienced failure and has seen businesses collapse. This makes him inclined to expand his company slowly.

"First, I closed down a (leather bracelet) company. Then I entered two good companies that later became chaotic," he said.

When he joined Venture Link, it was four months after the company listed on the first section of the Tokyo Stock Exchange, and the share price



Business creator: Kentaro Matsuda, president of Couleur Hldgs, speaks during an interview at his office in Shibuya Ward, Tokyo, on March 1. MINORU MATSUTANI

was going up rapidly, he said.

"Everybody in the company and the investors believed Venture Link would keep going, but it had an attitude that it had nothing to do with its customers after selling franchising rights. Not all franchisees kept doing well, customers complained and share prices tanked," he said.

Livedoor's failure, meanwhile, was due to unrealistic goals, Matsuda said. "Employees were exhausted and left the company. Customers

left, too."

Matsuda remains ambitious for his firm, but he is also careful not to set too high a target.

"It's best if people see you have fun working and think you are cool," he said.

This series has been prepared in collaboration with Enjin Co., which produces and operates a video Web site, kenja.tv, specializing in profiles of up-and-coming Japanese entrepreneurs.