

FY2025 Business Plan

Introduction

The Club

The Foreign Correspondents' Club of Japan (FCCJ) was founded in 1945 to provide housing and the opportunity to socialize for journalists reporting on events of post-war Japan. Today, the FCCJ is one of the world's leading media collectives, the peer of institutions like the National Press Club in Washington, D.C. Our membership includes representatives of many of the world's and Japan's major media outlets, from smaller media organizations, freelancers, those in journalism related fields, and a majority contingent of non-journalism related members from all walks of life.

The Membership

The membership has long held three main categories, Regular, Professional Associate and Associate, each of which has several subcategories aimed specifically at target audiences with fees factored accordingly. In addition, a Corporate Associate category was created in 2015 to make membership to the business sector in the club's vicinity more attractive.

The Future

For most of the Club's existence it has managed to remain afloat financially, fairly successfully in some eras, but since 2008 there has been a steady decline in membership across all categories. The decline accelerated in 2018 with the move from the Denki Building and the subsequent pandemic before sinking to its lowest point in 2023 and resulting in a significant loss of dues revenue. The club has not turned a profit since 2018 and has barely remained afloat since. The future is not doom and gloom however. The FCCJ has unique factors which make it desirable to a broad spectrum of the community in Tokyo, as well as in the greater Tokyo area, such as a prime location in the central Marunouchi business district, a speaker program rivalled by none, and affordable food and beverage options for a range of occasions. There are also potential new opportunities for revenue streams which are currently being investigated.

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

Club Core Activities

News Media Related

The club's news media related activities include, but are not limited to the following:

- Press conferences
- Press tours
- Panel Discussions
- Professional luncheons (breakfasts & dinners)
- Study sessions
- Deep Dive

Social and Entertainment

The club's committees and management organize a wide variety of social and entertainment activities, including the following over the last year:

- Book Breaks
- Film screenings
- Wine, sake and whisky tastings
- Japan culture-related events
- Exhibitions
- Hacks & Flacks
- Trivia Night
- Saturday Nite Live

Governance Related

The club hosts two awards programs amongst other activities:

- General Membership Meetings
- Board of Directors and Kanji elections
- Financial and administrative support of the FPIJ
- Freedom of the Press Awards
- Scholarship Awards
- Educational sessions for students (junior high, high school & university)

Food & Beverage

All food & beverage operations were outsourced in 2012 in order to meet the financial requirements of the club becoming a public-interest incorporated association (Koeki Shadan Hojin).

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

The current vendors are:

- The Main Bar - ANA Catering Service
- The Pen & Quill Dining Room - ANA Catering Service
- Banquets and club events - ANA Catering Service
- Masukomi Sushi Bar – BOS Partners

Opportunities and Responsibilities

Opportunities

With the outsourcing of the entire food & beverage operation the club is not able to rely on revenue from restaurants and banquets or food & beverage related club events as the actual yield to the club is minimal. The club's main source of revenue is membership dues. As such, the focus for rejuvenating the club must be on increasing the size of the membership. Growth in membership in turn improves utilization of the club's services, restaurants and banquet facilities (for both club events and private functions) and reinvigorates the club.

Currently the membership stands at 1,470 members, by comparison when the membership decline began in 2018 it was at 1,878, prior to that the peak was 2,264 in 2008. The number one source of new members for any club is its current members. Cold-calling, visiting companies, mass emailing and advertising may result in some new members, but the time and expense associated with these activities is far outweighed by the success rate and volume of new members introduced by current members. The opportunity we have is simple and easily activated, it is to support and encourage members to introduce new members:

- Rewarding current members with vouchers for use in the club's restaurants. This helps offset member's cost for hosting potential members and has the added benefit of increasing restaurant utilization.
- Rewarding new members with vouchers for use in specific restaurants ensures they become familiar with the three options for dining.
- Having club information ready for potential members and assisting with tours.
- Providing easy access to membership information at club events for guests.
- Marketing club membership at private events when permitted.
- Holding high-profile professional events, this is not only sought after by journalist members but is a key reason why many Associates join the club.
- Holding a range of social events to encourage member interaction and provide entertainment with value.
- Working with our food & beverage vendors to ensure the outlets continue to evolve, improve menus and offer desirable products.

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

- A membership transfer option was created in November 2024 for Associate members with a dues-paying tenure of 10 years. Further adjustments to the rules are desirable to enable this option to be utilized within a specified timeframe by the children of a member who passes away.
- Retroactively enabling Associate members with a dues-paying tenure of 10 years and who have already resigned to still be able to transfer their membership may result in new members, in particular family of the resigned member.
- In due course a staff will be hired to manage and administrate the website and timely social media posts to raise the profile of the club.

New Promotion

The basic reason for the existence of the club is foreign media. However the number of Regular members has dwindled from 350 in 2008 to the current 200. Our Regular members are our only voting members, and so not only has the size of the voting membership been reduced greatly, so has the potential pool of candidates for the Board of Directors. Our Professional Associate members have also dwindled, from 235 in 2008 to the current 160. Some options for discussion and evaluation:

- Remove the entrance fee for Regular members.
- Create a Corporate Regular category.
- Expand Professional Associate category to include online influencers. New guidelines would be needed to define parameters for determining who qualifies as a Professional Associate. Perhaps a sub-sector of online influencers may potentially qualify as Regular.

Responsibilities

The club has future financial responsibilities which, while not part of the FY2025 budget, are sizable and members should be aware of an increasing urgency to rejuvenate the club.

- Capital expenditure: Our landlord has mapped out 94 million yen from 2026 - 2033 in legally required maintenance (e.g. fire extinguishing and safety systems) and building and infrastructure maintenance (e.g. HVAC systems).
- Capital expenditure: The club is in its eighth year in this facility and in due course items such as carpet, kitchen equipment (ovens, freezers, fridges etc.), computers, software and numerous other items will need either major overhauls or replacement.
- Staff pension liability: Following payments of 42 million yen in FY2023 and 29 million yen this current financial year (FY2024) the fund is currently at 12 million yen. There is one more significant payment of 26 million yen in 2028.

Untapped Opportunities

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

There are potentially high-value untapped opportunities the club may be able to utilize to ease the financial situation. Some are actively being researched or in discussion stages.

- An external review of the club's archive (photographic, audio, video, No.1 Shimbun) is underway to gauge potential for monetization. Universities, thinktanks and organizations worldwide would have an interest in the history which is preserved in our archives.
- Online global membership with access to past and future press event videos on YouTube. This would require having teaser content only available to the public but with other content behind a paywall.
- Advertising on the club website, in the No.1 Shimbun and in strategic locations within the club (such as the library for newswire/database companies).
- Allowing advertisements in our YouTube channel videos.

Revenue-and-Expenditure Budget

(Budget summary information only)	FY2024 Budget	FY2024 Assumption	FY2025 Draft Budget
Operational Revenue	343,085,500	337,819,428	348,390,000
Monthly Due	255,630,000	252,558,233	257,170,000
Initiation Fee	22,252,500	20,830,666	24,000,000
Outsourcing Commission	18,000,000	16,539,468	18,000,000
Room Rental	26,000,000	23,587,731	26,000,000
Operational Expenditure	400,763,000	401,088,366	406,256,000
Personnel	139,000,000	141,273,851	143,140,000
Depreciation of fixed assets	40,000,000	34,031,808	33,500,000
Repair & Maintenance	18,000,000	17,321,290	19,512,000
Utilities	30,000,000	31,494,556	31,500,000
Rents	105,000,000	105,382,247	105,400,000
Taxes	23,258,000	22,868,497	23,258,000
Operational Surplus/Deficit	(57,677,500)	(63,268,938)	(57,866,000)
Non Operational Revenue (Levy)	26,184,000	26,172,314	26,019,000
TOTAL REVENUE	369,269,500	363,991,742	374,409,000
TOTAL EXPENDITURE	400,763,000	403,022,069	406,256,000
NET SURPLUS/DEFICIT	(31,493,500)	(39,030,327)	(31,847,000)

Operational Revenue Key Points

The operational revenue budget is in essence built around membership dues, and to a lesser extent initiation fees, outsourcing commission and banquet room rental revenue. The special levy of 1,500 yen to help offset the large resignation of members during the pandemic is also budgeted for in Non Operational Revenue. Key points of the operational revenue budget are:

- 180 new members (Regular 24, Professional Associate 12, Associate 144) are budgeted to join, 130 to resign, resulting in a net increase of 50 members. The high average age of our

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

membership results in a high resignation rate, key to limiting this factor is ensuring that resigning members who qualify transfer their membership.

- Outsourcing Commission is budgeted the same as for FY2024 and includes a three-month 20% rent discount for the Masukomi Sushi Bar operator BOD Partners.
- Helper charge (for banquets) is slightly increased over this year's expected result.
- Banquet other is revenue from equipment or services not provided by the club (e.g. simultaneous interpreting equipment) and is largely a wash.
- Club activities, rose considerably more than budgeted this year and as such has been budgeted accordingly.
- Miscellaneous, which entails Reception sundry sales, locker rental, and revenue from advertising, is budgeted significantly lower than this year's actual result as the club benefitted from a one-off 1.7 million government grant for converting staff to permanent status.

Operational Expenditure Key Points

Barring unforeseen expenses, the expenditure budget is largely predictable and determined in accordance with the increase in budgeted revenue. Key points are:

- Personnel budget is increased over last year due to the continued additional staffing needed to cover staff on long-term, paid sick leave, salary increases in line with the increased cost of living, and the inclusion of a 2 million yen pool for a performance bonus which would be paid out based on the club's financial performance for the year and staff's individual performance.
- Business consignment is split between our System Engineer, who is also assisting to cover a staff on long-term sick leave, and translation for club events.
- Compensations is mainly the cost of outsourcing financial data entry and preparation of financial reports. In addition there are smaller costs for a labor consultant and for legal representation/consultancy.
- Event operation is the cost of club events, this is offset by the Club activities revenue.
- Cost of sales is the cost of the sundry items sold at Reception.
- Sales promotion is the cost of dining vouchers issued to members who introduce new members.
- Communications & delivery is mostly the cost of the wire services in the library – the majority of which is one vendor, and to a lesser extent the club telephone system.
- Supplies includes linen and laundry, purchase of new tablecloths, office supplies/paper, miscellaneous items (e.g. Noren for Sushi Bar)
- Repair & Maintenance is largely maintenance costs and predetermined with our landlord, plus housekeeping/cleaning costs for the club.
- Books and subscriptions is largely library subscriptions.

The Foreign Correspondents' Club of Japan

100-0005 Japan, Tokyo-to, Chiyoda-ku, Marunouchi 1-7-1, Marunouchi Nijubashi Building 5F
<https://www.fccj.or.jp> E-mail: front@fccj.or.jp Tel:+81-3-3211-3161 Fax:+81-3-3201-0677

Savings

Where possible, and appropriate, management is negotiating to reduce costs or to barter in exchange for payment. Some examples include:

- Management has begun discussion with two club vendor to barter in exchange for their services, valued at 4 million yen.
- The Finance Committee recently reviewed club rent and determined that we are currently paying in the range of just 30% of market rate.
- The monetization of the club archive is a major, complicated and expensive undertaking. Profit sharing with a company that can manage this project saves the club time and financial outlay to hire the required experts.

Closing Remarks

We have separately launched a long-term task force to look at key issues and solutions ahead, and they will also share some of their work at our March GMM. Moreover, we need to make unprecedented changes to the ways we operate, such as introduction of a Corporate Regular membership, which enfranchise many more journalists into our organization and hopefully ensure its future utility. I welcome your ideas and energy as we make a stronger future for the FCCJ.

Dan Sloan
FCCJ President