

House & Property Committee Report for FCCJ's general meeting July 2022

I've had the pleasure of serving as first vice president on the board of the Foreign Correspondents Club of Japan for the past year, leading the House & Property Committee. It's been an eye-opening experience. The future of our club is very much in question. I'd like to recap some of the progress and challenges of the past year, and sketch out thoughts for the year ahead.

The FCCJ suffered mightily through the Covid-19 pandemic. Our membership dwindled as the club closed its doors for months and then struggled to reopen. Revenue has been falling, while losses sap our financial reserves. We have managed to survive largely on the loyalty of our existing members. That's been bolstered by Mitsubishi granting a 20% reduction in rent for the last fiscal year and extending it for the first six months of the current year. We have also had to impose a special levy on members to survive.

The recent troubles have exposed underlying issues that threaten the foundations of the FCCJ. The membership is aging and we have struggled to attract new members, especially journalists. The traditional function of the club as the exclusive location for key news events and newsmakers has been undermined by the media industry's evolution, especially the easy availability of content through online outlets. Japan isn't the preeminent hub for Asia news that it once was. These challenges are also opportunities; we need to reinvent ourselves for the future.

We have had some clear accomplishments over the past year. First and foremost, we hired a general manager, Toru Morishima, who has brought experience and leadership to the club. He has been a huge help in navigating the challenges of these times. Getting an extension of the 20% rent reduction for six months was also key. We hoped for more – and asked Mitsubishi for more – but in the end that reduction has allowed us to begin rebuilding our cash balance. We will negotiate again with Mitsubishi later this year to seek an extension of the 20% reduction through the end of the fiscal year. Whether that is successful will depend largely on our financial state. We may need to revisit the rent costs in March of 2023 depending on our financial performance. There are some members who have made the case we can simply not afford to stay at our current location – though the H&P committee would argue we should try our utmost to succeed.

We have also replaced our sushi vendor after some early difficulties. The arrival of our new sushi provider, with a more stable business model and more favorable terms for the club, should make a marked difference in our financial health.

We have a number of initiatives in the works to build on this more stable foundation. With our new GM's guidance, we are putting together several programs to draw new members, especially younger members. We also plan to work creating new revenue streams, particularly from our online content on sites like YouTube. We will work with Mr. Morishima on seeking new sources of funding, including the possibility of tapping METI programs to support businesses post pandemic.

I'm including the H&P committee reports from this year for those who would like a more detailed explanation of our progress.