

Y2K in Japan



March 17, 1999

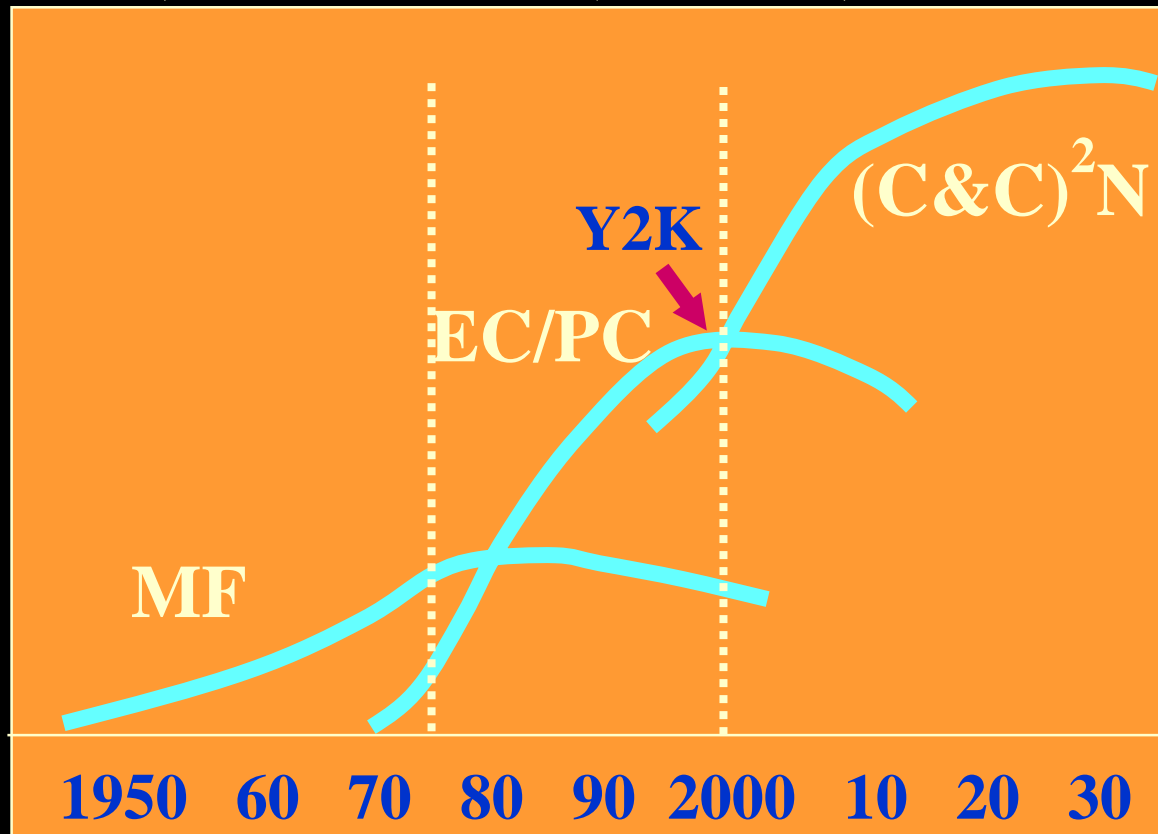
Shumpei Kumon

**Center for Global
Communications**

International University of Japan

InfoCom Revolution

- (1) Main Frames (1950 -)
- (2) Embedded Chips + PC (1975 -)
- (3) (C&C)² Network (2000 -)



Nature of the Problem

1. Date coding gamble

2. Mainframe challenges

3. Embedded chips

4. Unreliable control processes:

Power, Oil, Airlines, Railways, Highways

Running out of Time



1. “When?” is Known

2. No Silver Bullet

--too late, too slow

3. Uncertainty

--what, where, how long?

What Should be Done



- **Disclose accurate information**
- **Collaborate at & between all levels**
- **Re-code date-sensitive programs**
- **Contingency planning at all levels**
- **Install Y2K-compliant systems**
- **Redefine priorities--triage**

What Japan Has Been Doing (1)

- **May 1998: Birmingham Summit**
- **September 1998: Obuchi-Clinton talk**
- **September 1998: Action Plan**
- **October 1998: London Y2K Summit**
- **November 1998: APEC Summit**
- **November 1998: Progress Report**

What Japan Has Been Doing (2)



- **January 1999: 2nd Council Meeting**
- **February 1999: UN IYCC**
- **March 1999: Manila Y2K Summit**

Overseas Assessments of Japan's Efforts (1)

**October 1998: Gartner Group
Global Y2K Failure
Forecast**

Level One: (15%) No Asian
countries.

Level Two: (33%) Singapore, South
Korea, Taiwan.

Level Three: (50%) Japan, North
Korea, Malaysia

Overseas Assessments of Japan's Efforts (2)

**February 1999: U.S. Senate report
uses Gartner Group forecast.**

Report:

**“Japan may have underestimated the
scope of the Y2K problem.”**

Overseas Assessments of Japan's Efforts (3)

March 1999: Revised Gartner
Group global forecast of Y2K
failure

-- Japan elevated from Level
Three to **Level Two** (from 50% to

Remediation Efforts

- **Banking: Y2K activities since 1989**
- **Telecommunications: since early 1990s**
- **Transportation: since mid-1990s**
- **Electric utilities: since mid-1990s**

Is Japan Different? (1)

- **Universal Y2K Problems, but...**
 - **Assurance without evidence**
 - **Non-disclosure**
 - **Free ride (amae)**

Is Japan Different? (2)



- **Peculiarities?**
 - **More customized software on MF**
 - **Fewer chip problems**
 - **More oligopolistic and centralized**
 - **No triage strategy**
 - **Less litigation**

Business Strategy



Action Pledge 2000

- (1) Actively working to stay in business**
- (2) Committed to sharing information**
- (3) Give access to information**
- (4) Keep information secure**
- (5) Work cooperatively with suppliers**
- (6) Actively working to solve problems**

Conclusion



- **Japan is lagging but making progress**
- **Continue remediation at all costs**
- **Triage will be necessary**
- **Information sharing and trust critical**