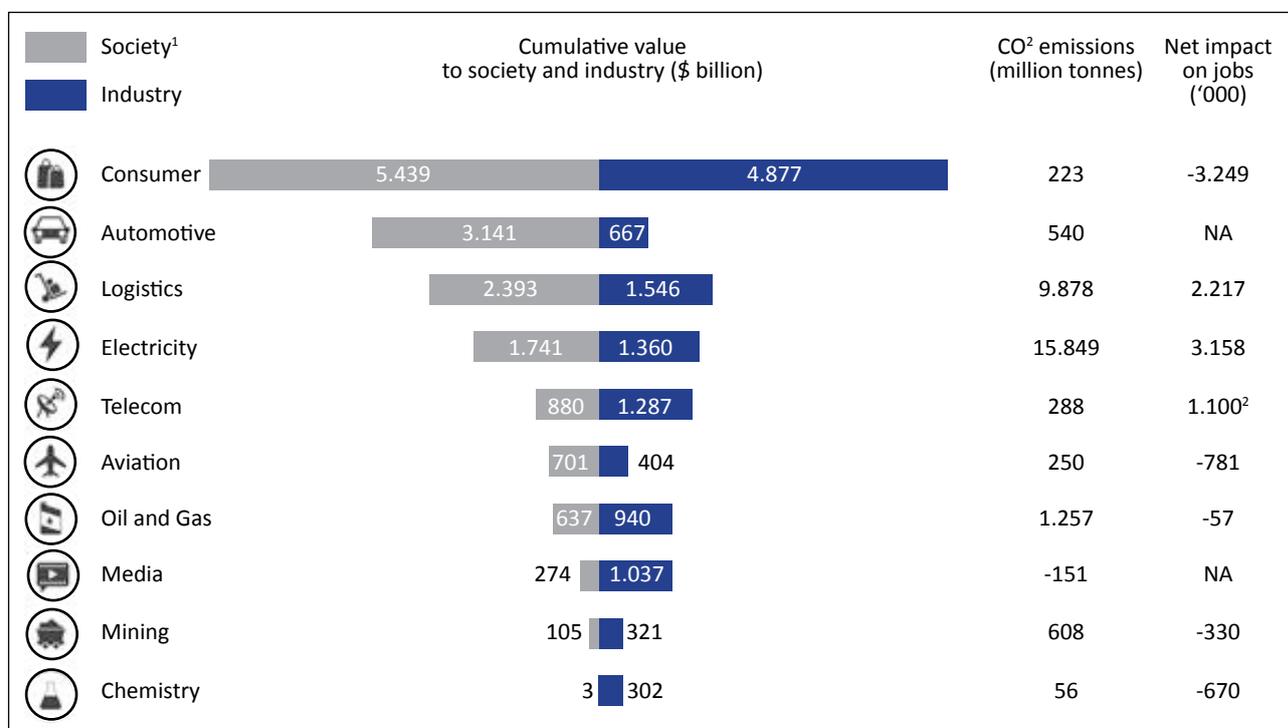


Input 01.05.2018

Good afternoon

Since my last business trip to Japan felt different to my regular visits, I wish to share some of my expression and experiences made, especially a part insight into the «new» world of DIGITALIZATION. As usual I reported the 2017 results towards the families. As you know we invest in our balanced strategies in liquid and listed securities only, and most of the underlying belong to the «old world». Once more became clear to me, what kind of powerposition **FACEBOOK, GOOGLE, AMAZON** and **APPLE** are having, respectively that they became the gate openers to digitalize the society.

Digital transformation is generating a fierce debate among policy-makers, economists and industry leaders about its societal impact. As digitalization disrupts society ever more profoundly, concern is growing about how it is affecting issues such as jobs, wages, inequality, health, resource efficiency and security



Notes: ¹Total societal value at stake includes on the customers, society and environment. Impact on industries has not been considered.

²Excludes Extending Connectivity digital initiative.

Then my friend Conny joined me, and I was given the opportunity for an educational excursion into the world of a talent, who did create his wealth as successful pioneer in digital world and Business Angel during the past 25years. Maybe you remember when I told you about his event <http://www.unternehmertag.org/de/>

In case you wish I will share the presentation held in Tokyo with you. Location we selected was the «ancient world», but nevertheless interesting asset allocation class with <http://www.albionart.com/>, where Kazumi ARIKAWA took us on a journey into historical jewellery, and showed his last acquisition into his collection, which he built during the past 38years;

A cross carved in rock crystal the *incavo* relief technique and signed at the suppedaneum at the base of the Cross, is the work of Valerio Belli of Vicenza, goldsmith and engraver of gems, among the most celebrated of his time. The item – perfectly aligned, in the figures, with the «modern» style of Michelangelo and Raphael – may be identified with the «divine crystal cross» that Vasari, in the Giunti edition of his «Lives» (1568), mentions as being made by Belli for Pope Clement VII.

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After this Conny took us into the world of Digital Revolution. A radical contrast with names as WEFOX, WHATSAPP, UBER, GAMBIO, AUTO1, TENCENT, WIRECARD, etc. in short, the new world around E-commerce, household convenience, blockchains, datacollection and much more, started to sound like a new globalized language...

The meeting with a seasoned Executive of **TOKIO MARINE INSURANCE** and to learn how data is being actively used in the sector, but also how much our life as clients of an insurance can be simplified. For those insurers ready to seize the initiative, digitalization presents an immense opportunity. The companies that stand to benefit the most are those that use the impetus of digitalization to rethink all their operations, from underwriting to customer service to claims management. The impact on both revenues and costs can be enormous. An analysis by Bain and Google shows that a prototypical P&C insurer in Germany that implemented these technologies could increase its revenues by up to 28% within five years, reduce claims payouts by as much 19% and cut policy administration costs by as much as 72%

During our stay we went to visit the headquarter of **RAKUTEN**, a Japanese *electronic commerce* and Internet company based in *Tokyo* and founded in 1997 by *Hiroshi Mikitani*. Its *B2B2C* e-commerce platform Rakuten Ichiba is the largest e-commerce site in Japan and among *the world's largest by sales*. The company operates Japan's biggest Internet bank and third-largest credit card company (by transaction value). It also offers *e-commerce*, *fintech*, digital content and communications services to over 1 billion members around the world, and operates in 29 countries and regions. It is often referred to as «the *Amazon* of Japan», take a look at their website <https://global.rakuten.com/corp/about/company/>

Impressive was to meet Taro KODAMAN the first **FACEBOOK** employee Japan, He was a dropout of school and acts today as wealthy incubator within the Digital world. Facebook has a different positioning in Japan – users allow companies to collect data for jobprofiles, and are willingly sharing it... just we Europeans and Americans believe that no data of our post is being collected. Many Japanese have adopted Facebook as a tool for business communications. Facebook's interface and use of real names allows for a platform in which users can effectively develop real-life relationships. *Bloomberg quotes one user* as claiming, «the real-name policy makes the site a good place to cultivate relationships with would-be partners» before adding, «it's useful because they will remember me after I comment on their posts». Moreover, Japanese companies have increasingly turned to Facebook as a means of reaching possible consumers. Recognition of Facebook's potential for business and commercial purposes represents another factor behind its booming success. Perhaps more than anything else, the March 11, 2011 Tohoku earthquake and tsunami generated adequate momentum for sustained growth. Following the disaster, *Google searches of Facebook* more than quadrupled compared to a year earlier and membership increased exponentially as evidenced by the 2011 user data.

With some insight into what I was lucky to experience during the past days, I wish you a relaxing weekend

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