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Profile: Minoru Arakawa

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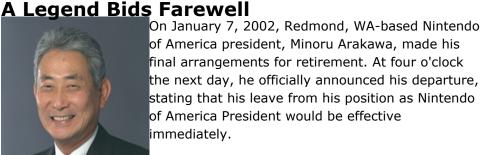


Donkey Kong

Nintendo of Americas first hit would come in the form of an arcade machine named Donkey Kong. Arakawa made the call to put Donkey Kong in two local bars: the Spot Tavern in South Seattle and Goldies, a bar near the University of Washington.

I remember that day, recalled former Nintendo of America Executive Vice-President Howard Lincoln. The fellow who was setting up the distribution for Nintendo Coin-Op was a client of mine named Ron Judy. Ron was compensated with a commission based on game sales. The games that had come in that year had not been strong, so Ron was really strung out. Poor Ron. I can still see him sitting there when Mr. Arakawa said We have this new game and we need to get it trademarked. The name of the game is Donkey Kong, And I said Pardon me. What was that? Donkey Kong? How do you spell

Profile: Minoru Arakawa



Minoru, a man described as shy and genuinely humble, rarely spoke to the press and media. This shyness has come to define Nintendo as we think of it today. Interviews with the press are rarely

granted and the corporation in general has always been one hesitant to place itself in the spotlight. In many ways, as with Mr. Arakawa, a mysterious aura surrounds Nintendo and the employees who compose it.

Nearing 55 years of age, Minoru has achieved an enviable yet fulfilling career that has indirectly touched millions of lives across the United States and even around the world. Minoru Arakawa is not just a man, but a legend who has helped form the interactive entertainment industry of today.

Beginnings of a Dream

Minoru Arakawa was born in 1947 to wealthy parents Waichiro Arakawa and Michi Ishihara in the cultured city of Kyoto, Japan. A man who abided by the traditional Japanese ways, Minorus father Waichiro was the manager of his own successful company "Arakawa Textiles." Employing over a thousand people, Arakawa Textiles imported quality silk and



cotton and sold them to global clothing producers. His mother, Michi, a gentle woman most comfortable in a kimono, was a descendant of eighth century emperor Uda as well as the ancestor of Kyoto, Japans first mayor. When Minorus parents married, their familys combined land holdings

accounted for a fifth of Kyoto.

Minoru's parents had raised their three children with love and discipline and had high expectations for each of them. After all, a legacy of accomplishment ran in their blood. His parents had appointed his older brother to take over the family business of textiles. His sister married a professor of medicine. Minoru, on the other hand, was wary of his place in life. His parents simply told him to do whatever made him happiest. That is easier said than done, he thought. His father gave further advice telling him to do something unselfish - something for others.

Unsure about his future, he nonetheless decided to enroll at Kyoto University in 1964. Due to this lack of direction, he ended up taking general courses for his first few semesters. Forced to make a choice, he eventually settled with a major in Civil Engineering. However, even after graduating, he still struggled with the eminent question of where to go from here?

America was the answer to that question. Minoru was determined to experience and learn from the world - to locate the "happiness" that his parents had told him to find. Traveling across the Pacific, he came to the United States to search for it. In nothing more than a van he had bought dirt cheap, he traveled from state to state, experiencing the heart of American life and culture. Finally, he did end up somewhere: Cambridge, where he decided to continue his study of Civil Engineering at the Massachusetts Institute of Technology. On his journey there, he met many people but most importantly, he met himself. It was now time for a matured-Minoru to proceed with his life.

After graduating from Cambridge, Minoru returned to Kyoto the following Christmas to be with his family. During his stay he quickly found a job with a company that developed hotels and office buildings around the world, including Canada. The extended visit home would not come without other revelations though. For one night, while he was accompanying his parents to a ball, Minoru met his future wife, Yoko Yamauchi, for the first time. Yoko was the daughter of Hiroshi Yamauchi who had taken over as president of Nintendo Co. Ltd. a number of years ago, a fact that bothered Yoko greatly.



Yoko was a beautiful, intelligent woman whom Minoru was immediately enamored with. Yokos relationship with her father, Hiroshi, was one filled with contempt. She hated how consumed with Nintendo her father had become. Oftentimes, he had trouble separating work from family and would bring the day's anger and scorn home with him. She promised herself early on that she would never marry someone like him. Life, however,

would supply its share of irony.

that? I remember Ron saying, "Yeah. Can you believe that? Donkey Kong" It was at a point in time when Ron was thinking, "What have I gotten myself into?" None of these games have been great. I didnt earn any money, and now the final blow is a game called Donkey Kong, which even my lawyer cant understand.""

Donkey Kong went on to sell over a hundred thousand units and has spawned a series of games that has sold multiple millions of titles.

"When the Donkey Kong coinop game was first released in 1981, it was a phenomenal success, selling over 65,000 units. Donkey Kong Jr. and Donkey Kong 3 brought the series' total sales to over 100,000 units. Compare the fact that the ultra hot Street Fighter II series sold nearly 50,000, and you can see how big of success Donkey Kong really was." - Nintendo Power Vol.61 June 1994

1-800-ZELDA

Most American players who tested Zelda didnt like it at first. Arakawa was somewhat nervous about this, and originally thought the game would fall flat upon release.

The Legend of Zelda was a different kind of game and, also, it took a long time until people really liked the game, reminisced Minoru Arakawa. I hoped people would be patient enough and understand that it was a different game and enjoy it, and I was worried at the time. The game was so different that we were afraid that people couldnt figure out how to play and [would] give up, so we put

While Minoru was pursuing his new career, his job began consuming more and more of his time. Reminded of her father, Yoko became unsatisfied with her marriage and considered a divorce. Minoru's frequent absence from both her and their childrens lives was becoming intolerable. Fortunately, though, the marriage did last and in 1977 Minoru announced the family would be moving to Vancouver, Canada to begin a real estate project. His tenure in real estate would not last long.

A visit in early 1980 with Yokos parents would change the destiny of both Minoru and Yoko. Yoko's father, Hiroshi Yamauchi, offered Minoru a prominent place within Nintendo. Hiroshi desired to conquer the U.S. market and wanted Minoru as president of his new North American division. Yoko objected. She was afraid her father, Hiroshi, was aspiring to meddle with her personal life. In the end, she gave through, and Minoru decided to take the job.

Along with his wife and daughter, Minoru returned to the U.S. to head up the American subsidiary of Nintendo. At that time, Nintendo of America's impact on the gaming industry was in its infancy. For the next 22 years, Minoru Arakawa would play a vital role in Nintendo of America's amazing success. Through hard work, determination, and magical charisma, he would directly form and mold the company into what it is today.

Looking Back

December, 1988 marked the year of the infamous Atari and Nintendo court battle. Mid-1988, Tengen, a part of "Atari Games", secretly found a way to bypass the lockout chip in the Nintendo Entertainment System through emulation.



The origins of the fiasco, however, would begin with a standard licensing contract. Infuriated by the fact that Arakawa would not budge on his contract to allow NES licensees to create more than five games a year, nearly a decade of legal battles would transpire between a gutsy Atari and an irritated Nintendo. Minorus refusal would lead Hideyuki Nakajima of game developer Tengen, a part of "Atari Games", to storm home, fuming and

literally declare war on Nintendo. Nakajima's company proceeded to crack Nintendo's security chip system that was implemented into all its NES games. This ultimately allowed Atari Games and Tengen to create its own NES software without giving Nintendo a cut of the profit.

Sometime later, during a dinner party hosted by Minoru, Nakajima was invited as a friendly gesture - to try to make amends. He was sympathetic about Nakajimas position. Minoru, however, was unaware that Nakajima was simply deceiving him and had been conspiring for months prior to back-stabbing him and Nintendo.

There's more to this story in that Minoru had a talent of falling asleep in

the 800 telephone number in the game [booklet] so that they could call us for free and we could answer any questions about the games. We released the Legend of Zelda on June 27, 1987. All of a sudden, the telephone started ringing. We hired four people to answer questions over the telephone, and those four people were busy all the time, so we increased from four to five, 10,20,40,50 and we ended up with 200.

After running the 800 number for a while, it proved to be too expensive. Arakawa pushed to eliminate its toll-free nature. Which did eventually occur as the once free service turned into a pay service.

Ear Today, Gone Tomorrow

Believe it or not, Arakawa originally came up with the idea to use Mike Tyson in a boxing game. While attending a boxing match involving Tyson, he found himself impressed with the athlete's "power and skill". It then occurred to him that by adding Tyson's name to an upcoming NES boxing game being developed by Nintendo R&D3, it would help to sell copies to wary consumers.

Later, Nintendo and Arakawa would come to regret the deal they sought after. In 1987, Mr. Tyson was dragged out into the spotlight for his divorce with actress Robyn Givens. The case would show allegations that Tyson had beaten Robyn.

After the three year deal with Tyson was up, Nintendo completely removed Tyson from the game. The game was from then on released as *Punch-Out!!* with a new last boss, "Mr.

the most odd locations and the most inconvenient of times. Unfortunately, he just happened to fall asleep sitting at the dinner table, offending Nakajima even more and further compounding his resentment of Nintendo.

To Nintendos surprise, near the conclusion of 1988, Atari Games -- already in full production with its own NES cartridges -- proceeded to file a lawsuit against Nintendo accusing the company of having an illegal monopoly on the video game industry -- a monopoly that Nintendo supposedly achieved through illegal practices such as price-fixing, the use of computer chip lockout technology to disallow unlicensed developers to sell NES games, and other various monopolistic business practices. Atari's claims were no small grievances; the former behemoth of the video game industry wanted \$100 Million from Nintendo as compensation.

Tensions were high and hostility was growing between the two companies. Realizing that something had to be done, Minoru set up a meeting with Hideyuki Nakajima. Hideyuki blamed others at Tengen and Atari Games for the actions taken and suggested a compromise: that Tengen remain a Nintendo licensee whilst still manufacturing their NES games, including the bypass chip. Minoru stormed out of the meeting disgusted.

Upon hearing about these events, Howard Lincoln, former NOA Vice-President and now current-CEO of the Seattle Mariners, simply shook his head and said, "I thought to myself, you have no idea what you have taken on: a tiger (referring to Arakawa) who will skin you piece by piece."

Lincoln's words proved to be prophetic. Nintendo pursued Atari in court, counter-suing the company for making profits off of its intellectual properties. Years passed as both sides combated each other on the legal battlefield, but finally, in February of 1993, the Federal Trade Commission cleared both Nintendo and Atari of all antitrust charges -- a situation in which neither company really won nor lost.

If anything, the Atari Games episode demonstrated that Mr. Arakawa is anything but an ordinary businessman.

Minoru also had a gift that enabled him to surround himself with competent men who excelled at their work. Howard Lincoln is just one of these men.



Impressed by Lincolns cool demeanor, Minoru hired him as an Executive Vice-President in January 1983. Originally hired to trademark the Donkey Kong name and copyright the game for use on the ColecoVision video game console, Lincolns origins of being a lawyer proved in every way useful to Minoru and Nintendo. The two men, Lincoln and Minoru, especially felt a bond together. Lincoln's accomplishments ranged from simple actions -- such as naming

Dream", as the foe who would replace big Mike. *Mike Tyson's Punch-Out* was met with great reception and sold more than one million copies.

A Falling Out

BBC aired an interview in early 2004 about Nintendo's rise in the gaming industry. In it, Minoru and his wife Yoko were interviewed. It's said that Minoru and Hiroshi had a falling out and an argument. Yamauchi wanted Arakawa to become as ruthless and cold as himself, then take over the whole company. However, they ended up having a disagreement over the direction Nintendo was going in.

In fact, BBC said Nintendo tried to block an interview with Minoru, not wanting him to speak. It turns out, Minoru was more than happy to speak though, and when he was told this, he looked genuinely upset. Yamauchi himself refused to be interviewed.

Minoru said Yamauchi has since refused to come and visit him in Hawaii and says only if it's related to business, otherwise "what's the point"? Neither will he visit his daughter, although it could simply be related to Yamauchi's fear of flying.

Arakawa Power

The origin of Nintendo Power is the *Nintendo Fan Club News* which was a 12-page two-color magazine that was released quarterly in 1987. By winter the newsletter had expanded to 32 pages with a full color palette. After the spring 1988 issue was released, Arakawa decided upon releasing a full-fledged

two Game & Watch units -- to actions with extreme significance, such as representing Nintendo on the floor of the Senate in the 1993 Joint Hearings on Video Game Violence.

Peter Main is another man brought onboard the NOA ship by Minoru. Oddly enough, Main originally met Minoru as his next door neighbor. Main was working as vice-president of General Foods at the time. Minoru would later convince Main to join Nintendo as an executive vice president of sales and marketing. Around 1987, when Nintendo had the US market in its hands, Peter Main came up with a new idea of how to market the company's NES games. He called it



"Inventory Management" and the idea was basically to treat games like movies -- "release the games cautiously, rationed so that the demand outpaced availability, and then withdraw them from circulation as soon as interest begins to wane".

Lincoln and Main made many of Minorus requested public appearances. Minoru preferred to avoid social situations. He was embarrassed by his slow English and therefore spoke cautiously. The other reason being, he felt he had better ways to utilize his time.

The Nintendo Side of Arakawa

Despite his quiet personality, Minoru loved to play pranks on his peers. There was one occasion when he circulated an old photograph of Howard Lincoln throughout the company as if it were an urgent memo. The picture, taken in the seventies, showed Lincoln wearing a garish plaid suit and excessively thick glasses. On it Minoru had jokingly written, *Would you buy a used car from this man?*

On another occasion, Minoru gathered a group of Nintendo employees to initiate a newly hired employee who had developed a habit of parking his Porsche diagonally across several parking spaces so as to avoid scratches from other recklessly-opened car doors. One particular day, he conspired to park dozens of cars surrounding the new employees car. Some of them were parked dangerously close. Minoru and NOA employees surely got a laugh out of seeing the employees face as he witnessed his precious car in a such a precarious situation.

Complimenting Minorus sense of humor, was his laid-back attitude. There was a time when AT&T executives showed up for a Friday meeting with Mr. Arakawa. No one had told them in advance about the "no-suits Friday dress code." The executives sat at the conference table in their standard corporate attire opposite Minoru who was wearing jeans, a T-shirt, and green felt sneakers. After the meeting, Lincoln jokingly told him he looked like an elf. He never wore the shoes again.

Minoru endured because he didnt care what others thought...well, at least

magazine - Nintendo Power.

There were quite a few publishers making video game magazines in Japan, and no one was doing one in the United States, so we decided to do it ourselves, remembered Minoru Arakawa. I felt Gail Tilden was the perfect person to do the editing on the magazine. She had just had a baby and wasnt in the office, so I called her up and asked her to start our publishing department. She accepted, and she came with the baby in her arms two weeks after she got out of the hospital.

Related Personnel

Arakawa, Minoru

when it came to the opinion of analysts. Analysts would roll their eyes, but he refused to be dependent on the American industrys narrow view of the market. He felt that American analysts only thought in the short-term, never stopping to look past tomorrow's forecast Minoru, on the other hand, felt that the long-term was more important. Preparing for the future, he thought, is the only way one can hope to be around.

Recent Arakawa Ramifications

Mr. Arakawa is praised by employees as a consensus-builder. Top managers in Seattle would meet regularly around his desk; it was said to be large enough to seat 18. In February of 2000, he took over as the North American chairman of NOA. The soft-spoken Minoru was faced with the task of taking on a much more public role for the company. However, even in his most recent interviews, his quiet attitude glowed with humble enthusiasm.

As said by Howard Lincoln, "Many of Arakawa's initiatives have become industry standards, largely responsible for the unprecedented strength of interactive entertainment today." The most important contribution from Arakawa, however, is the fact that he was willing to keep on going even if it seemed that the odds were against him, or that the goal was seemingly out of reach.



Even while initial market research indicated that American children disliked the content of the Pokmon games and employees within NOA dismissed the game as "too confusing", Minoru was insistent on introducing Pokmon to the American pop-culture. Pokmon, a role-playing-game for the Game Boy handheld, had already proven quite popular in Japan, spawning movies,

trading cards, toys, and an overwhelming amount of other merchandise. He insisted on selling it **all** in the US -- moreover, he insisted on selling the Pokmon franchise completely unchanged from its Japanese market, which went against the wishes of many other Nintendo executives, who argued that the game needed to be tailored to fit American tastes. He claimed that such a change would compromise the allure of the franchise, and introduced Pokmon to the North American market in its pure form.

The rest of the story is history. Pokmon sales for Nintendo of America and its licensees have far exceeded \$1 billion since its 1998 launch. Pokmon was exactly as Minoru envisioned -- an undeniable success. It's an achievement that must largely be accredited to a man who saw unparalleled success despite the ominous risks.

Smug with satisfaction, Arakawa admits, "To be honest, I still don't understand the game."

Though Pokmon had plenty of NOA executives sweating profusely, Minoru Arakawa has made even more bold bets before. In 1985, Nintendo of America was struggling for survival after its failed attempt to sell Nintendo's line of Game & Watch; a further detriment was the fading of its arcade games, including the dwindling sales of such games as *Donkey* Kong. To revive the company, Minoru imported Nintendo's home entertainment console from Japan, despite the fact that renowned gamemakers Atari and Coleco were struggling to stay afloat in the US; the video-game industry itself was all but drowning. Minoru set out to revitalize the fading gaming industry by introducing a totally new way of handling licensees and their distribution. Nintendo of America was adamant about avoiding being referenced or even related to Atari game consoles. As a result, he bestowed the name of Nintendo Entertainment System upon its hardware. Along with that, game cartridges were instead referred to as "gamepaks". Nevertheless, in the beginning, it was a tough sell to distributors.

Howard Lincoln agreed, "We spent a great deal of time figuring out what Atari had done wrong. Walking through the Atari parking lot, Minoru Arakawa and I were aghast at all the BMWs and Mercedes -- and these 30-year-old guys making gobs of money. We were convinced that we had to be very controlling in the way we handled expansion, compensation, and all those issues. We looked at Atari's distribution practices and its dealings with retailers across the board."

Minoru was told by one retailer that he had a better chance of selling Popsicles in the Arctic. Despite the harsh disapproval, Nintendo continued to search for distributors for its console. Finally, in 1985, he managed to persuade one retailer to release it as a test in New York. The single release would not be the last. Those who were reluctant were offered a risk free proposition in the form of a complete money back guarantee. Minoru argued that the ultimate sign of strength is to have *so much confidence in your product that you would almost pay stores to carry it.*

The *Nintendo Entertainment System* burst onto the scene and breathed a refreshing life back into the industry. Within 10 years of its release in February 1986, the Nintendo Entertainment System sold approximately 30 million units in the US alone, and had cornered nearly 90% of the 8-bit console market. The system's success, along with its stunning revival of the video game market, is largely credited to Minoru Arakawa; it could even be said that without Minoru's ambition, the video game market would not be anywhere near the magnitude it is today.

Of course, a console's ultimate success is dependent upon its software. Enter a video game called *Donkey Kong* -- and its main character, Jumpman, who would eventually become a star enveloped in more facets than one could ever comprehend.

Jumpman was initially given his name by creator Shigeru Miyamoto due to a rather obvious fact: he could jump. Indeed, when Jumpman's game first

appeared in Japan, it went under the moniker of *Jumpman*. Minoru Arakawa and staff of Nintendo of America, however, decided that Jumpman needed a new name if it was to be released in the west. While translating the game's introductory text late one night, Minoru was startled by his Italian landlord, Mario Segali, who burst through the door, demanding rent. Once Segali had left, Minoru decided to call the character Mario -- or more specifically, *Super Mario*. The name stuck.

The character Mario is now one of the most recognized characters in the entertainment industry -- up there even with Mickey Mouse.

After *Donkey Kongs* initial arcade success, Japanese game developer, Taito, offered to buy all rights to the game for a substantial amount of money. Before making a decision, Minoru called Yamauchi in Japan to discuss the offer. Yamauchi felt a large advance in hand was better than profits they might never see, but Yamauchi said he would ultimately back Minoru in any decision he made. Minoru told Taito the rights were not for sale. *Donkey Kong* would go on to become one of Nintendos most lucrative arcade and console licenses in the US. Success however, is not without its shortcomings.

One late night in April 1982, Minoru telephoned Lincoln at his home with an urgent call. Sidney Sheinberg, president of MCA Universal, told Nintendo it had forty-eight hours to hand over all profits of Nintendos *Donkey Kong* and to destroy any unsold games. MCA claimed *Donkey Kong* was an infringement on Universal Studios copyright of King Kong. Sheinbergs threat didnt stop at Nintendo. He also intimidated Coleco and Atari who licensed the game from Nintendo, Ralston Purina, a cereal maker, and Milton Bradley, a board game manufacturer.

MCA was a huge corporation that owned everything from a record company to theme parks. MCAs Sheinberg threatened to crush all those who opposed it. Nintendos Howard Lincoln and Minoru Arakawa, while somewhat frightened, refused to be intimidated. They refused to give into Sheinbergs demands and took the case to court. Nintendo won unconditionally. As it would turn out, MCA never owned the rights to King Kong in the first place. MCA was forced to write Nintendo a \$1.8 million check for damages. Arakawa and company celebrated their new-found supremacy.

There would be no end to Nintendos legal battles. At the end of the day however, Nintendo and Minoru would always succeed.

With the success of the NES, Minoru soon initiated the *Nintendo Power* magazine. While various publications had acquired the rights to Nintendo magazines in Japan, Minoru sought to control this aspect of Nintendo in America. The *Nintendo Power* magazine proved useful for not only making fans more devoted, but also hyped games months in advance - advertising while making revenue at the same time. Through this pre-hype and anticipation building, the magazine basically guaranteed a specific amount

of sales for each game made. Minoru hired Gail Tilden to head up Nintendo Power. By the end of its first year alone, Nintendo Power magazine became the largest circulation magazine for kids in America. The next few years would see the reader base increase to over 6 million. Arakawa and staff had hit yet another *home run*.

Play Ball

Minorus father-in-law, Hiroshi Yamauchi, president of Nintendo Co. Ltd., has never been to a ballgame in Seattle, Washington because of his reluctance to fly. Despite that fact, Yamauchi holds what is described as the "most unusual ownership group in all of professional sport". Beginning in 1992, Yamauchi took majority holding of the Seattle Mariners. His stake in the ownership is represented by none other than Minoru Arakawa, who sits on the Mariners board of directors.

Nintendo's 60 percent stake in the Seattle Mariners is one that was originally met with controversy. The ownership group suffered through \$77 million of losses during their first seven seasons and absorbed the pummeling dished out by the media and some segments of the public over the struggle to get Safeco Field approved and built.



Despite the losses they've suffered and the criticism they've endured on occasion, it's become increasingly clear that the only goal of the ownership group was to keep the Mariners in Seattle. The past few years have seen the Mariners come back into the limelight with win after win. With players such as Ichiro Suzuki being brought on board, nothing but praise has since befallen this most unusual ownership group -- Nintendo. Minoru's influence shines through, creating success in even the most controversial of situations.

The Future

Minoru Arakawa's position as the president of Nintendo of America was replaced by Mr. Tatsumi Kimishima. Kimishima had been with NCL for the prior two years, serving most recently as Chief Financial Officer of The Pokmon Company and President of Pokmon U.S.A. Inc. A native of Japan, Kimishima spent over 25 years with the Sanwa Bank in several management roles, including nearly seven years in New York and California. Kimishima assumed his new responsibilities as soon as Arakawa stepped down in January.

As for Minoru, most of his free time will be spent constructing his home on the beautiful Hawaiian island of Maui. A man who began his career in real estate and construction, his life could be said to have come full circle.



Truly, though, we cannot ultimately make such a generalization of Minoru's life; this was but a small piece of history about a man -- a man whose importance to the gaming realm cannot be measured by mere words. From obtaining a name for Nintendo's most famous mascot to his unusual habit of taking naps to successfully introducing one of the most lucrative video games consoles ever created, Minoru Arakawa is someone whose impact on this industry will be remembered and admired for years to come.

N-Sider and IGN sincerely thank Minoru Arakawa for his determination to create a passionate corporation, and also for his immeasurable contributions to the Nintendo family. We genuinely wish him and his family the best of luck in their future endeavors.

Enjoy that retirement, Arakawa. It's well deserved.

A big thank you to David Sheff and Andy Eddy for writing the book *Game Over: Press Start to Continue*. Thank you to Steven Kent for his work in *The Ultimate History of Video Games*. Thanks as well to CNN.com, Business Week, ieMagazine, BBC News and last but surely not least, Nintendo of America.

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