Ways of Arguing in Two Cultures:  
A Case Analysis of a Negotiation Between  
Japanese and American Business Professionals

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Abstract

This paper examines whether the ways of arguing in one culture are different from those in another culture within the context of negotiation. Specifically, this study compares the argument styles of negotiators from two cultures: The Japanese and the American. A negotiation in which Japanese and American business professionals role-played was videotaped, transcribed and analyzed as a case study. As a result of the argument analysis, two main differences are observed in the characteristics of Japanese and American argument styles. First, the American negotiator states his main point at the beginning of his argument while his Japanese counterpart explains the background information at the beginning. Second, the American negotiator solves the issues one by one by making a different argument for each issue, while his Japanese counterpart tends to attack the negotiation issues as a whole and repeats the same argument. From these observations, the article indicates that there are culturally distinctive ways of arguing and suggests that cultural differences in argument styles are fruitful areas for future intercultural negotiation study.
Introduction

The increase in international business transactions has resulted in frequent contact between people from various cultural backgrounds. Negotiation plays a key role in this context since most of the transactions take place through negotiations between two or more parties. Given this background, the study of intercultural negotiations has become of great importance. Although there are many ways to approach the issue, this study focuses on the ways in which people argue in the course of negotiation and how culture influences the ways of arguing.

Argument can be defined as "a set of statements in which a claim is made, support is offered for it, and there is an attempt to influence someone" (Warnick & Inch, 1989). Accordingly, negotiation can be viewed as a process of the negotiators offering and receiving arguments because each negotiator comes to the negotiation table with a set of ideas that he or she wants the other party to accept. Intercultural negotiation, then, is a process of offering and receiving arguments by negotiators who have different cultural backgrounds.

A question inherent in intercultural negotiation is whether or not negotiators from one culture construct arguments in the same way as those from another culture. Since people make arguments based on their cultural assumptions, it is conceivable that each culture has its own way of arguing. The central question of this paper, therefore, is whether or not there are culturally distinctive ways of arguing.

In order to consider this question, this study compares the argument styles of two particular cultures: the Japanese and the American. Through a discourse analysis of a negotiation role-play, I will demonstrate how each Japanese and American negotiators argue differently. The case analysis in this study will serve as tentative observations of cultural differences in argument styles between the Japanese and American negotiators. In a broader sense, this analysis will function as an example of the direction that should be taken by future studies in the ways of arguing in intercultural negotiation. I will first discuss the framework that I used for the case analysis. Second I will explain the background and the content of the role play, and the method of the analysis. Third, I will make two observations...
about the cultural differences in argument styles. Finally, I will discuss the limitations and implications of this study.

Theoretical Framework

The study of argument in negotiation can be approached from many different perspectives (see Keough, 1987, 1992, for the reviews of the approaches). Among them, two approaches have been particularly influential: Toulmin's framework of argument (Toulmin, 1958) and Jackson and Jacobs' study of conversational argument (Jackson and Jacobs, 1980, 1981; Jacobs and Jackson, 1982). Toulmin's model of argument can be used for rhetorical analysis of negotiation discourse while Jackson and Jacobs' study is useful for micro-analyses of disagreement structures. I will briefly discuss the strength and weakness of each framework in consideration of its applicability to intercultural negotiation.

Toulmin's model is attractive, especially in terms of its notion of "field". He argues that the way in which claim, data, warrant, backing, qualifier and rebuttal are organized changes if one goes from one field to another, such as from a political field to a legal one. This notion of the field-dependent nature of argument is applicable to intercultural discourse if we consider culture as a type of field. Regardless of its strength, however, Toulmin's model is not ideal for the analysis of argument in negotiation. The reason is that the statements in spontaneous arguments, as opposed to well-planned arguments, cannot be categorized into such elements as data, claim and warrant in a clear-cut manner as Toulmin's model suggests. There usually are unfinished and unarticulated arguments in actual negotiations.

Jackson and Jacobs' model, on the other hand, appears to be useful because it deals with less-organized arguments that occur in our daily conversation. This model looks at how people disagree with each other in face-to-face interaction. The weakness of Jackson and Jacobs' model, when applied to the analysis of negotiation, is that it tends to obscure the general argument structure as a whole because it focuses on the local management of conversational arguments by interactants.

Although Toulmin's and Jackson & Jacobs' models offer useful frameworks for their respective fields of study, neither of them would best capture the cultural characteristics of argument styles in negotiation.
Argument in negotiation should be placed somewhere in the middle of the types of argument with which Toulmin's and Jackson & Jacobs' models are concerned. In other words, argument in negotiation is neither as well-structured, as Toulmin's model suggests, nor as spontaneous as conversational argument as noted by Jackson and Jacobs. Rather than applying a theoretical model to data, this study takes an inductive approach: that is to say, relying on the data itself in making observations.

There is another reason for my decision of not applying a model to the data. Studies of argument are almost exclusively based on the arguments in Western cultures. Therefore, imposing a model on data could possibly obscure the important aspects of argument structure in non-Western cultures. When we are dealing with intercultural communication, we should be sensitive as to how we have access to cultural characteristics of discourse. Inductive analysis, instead of applying a theoretical model, then, is appropriate for studying ways of arguing in intercultural negotiation. In the section that follows, I will explain the actual method that I used for the case analysis.

Method

The negotiation role-play involves three negotiators, one Japanese and two American business professionals. The Japanese negotiator, Mr. Karino, is in reality the executive director of the Japanese Chamber of Commerce and Industry in New York, known as the Nippon Club, and functions in this capacity in the role play. The American negotiators, Mr. Horn and Mr. Chu, are in reality the lawyers for the Nippon Club. In the role play, Mr. Horn acts as a landlord of the building where the Nippon Club currently has an office while Mr. Chu acts as his lawyer. In the analysis, I focused on Mr. Karino and Mr. Horn. (See Appendix for the whole transcript of the negotiation.)

The brief content of the role play is as follows. The Nippon Club is currently located in a building where Mr. Horn is the landlord. Mr. Karino needs to move the office of the Nippon Club to a new building. However, due to a delay in construction at the new building, Mr. Karino cannot vacate the space as soon as his lease is due to expire. In this negotiation with Mr. Horn and Mr. Chu, Mr. Karino attempts to extend his current lease for six months to one year. Mr. Horn argues that it is difficult for them to extend the lease because he has already committed to the new tenants. Mr. Horn,
therefore, requests that the Nippon Club should move temporarily to a smaller space in the same building after the lease has expired. Mr. Karino, on the other hand, argues that it is inconvenient for the Nippon Club to move to the other floor for the short period and suggests that the new tenant should move to that space. Mr. Karino offers to pay some of the new tenants' moving expenses if necessary. At the end of the negotiation, the negotiators reach a tentative agreement that requires Mr. Horn to discuss this offer with the new tenants in order to determine whether or not the date of their occupancy can be changed. If the new tenants cannot change the date on which they intend to move to the office, Mr. Karino, Mr. Horn and Mr. Chu agree that they must begin a new round of negotiations. This is essentially what happens at the negotiation.

When I asked them to act out any negotiation that they would like to, Mr. Karino, Mr. Horn and Mr. Chu naturally arrived at the idea of discussing the issue of the Nippon Club's lease because they were actually involved in a similar situation at the time. Since they were not given any scenario, the role play is quite realistic.

The role play was recorded on videotape and was later transcribed word by word. The whole transcript consists of 233 lines in total. The analysis of discourse began with an inductive process. That is to say, I watched and listened to the tape while looking at the transcript again and again, writing down whatever communicative features that I thought were culturally significant. Since I had not decided upon a focus of the study at this stage, I made observations of communicative features such as interruptions and negotiation stages. This initial stage of analysis was guided by the attitude described by Sacks: "We sit down with a piece of data, make a bunch of observations, and see where they will go" (Sacks, 1984, p. 27).

After I had decided to focus on the ways each negotiator argues, I collected all the statements in the transcript that can be characterized as arguments according to Warnick and Inch's definition: argument is "a set of statements in which a claim is made, support is offered for it, and there is an attempt to influence someone" (Warnick & Inch, 1989, p. 6). As a result, I found three arguments made by Mr. Karino and seven by Mr. Horn.

For each argument, I conducted the argument analysis following Warnick and Inch's procedure (Warnick and Inch, 1989). First, I numbered the statements in each argument; second, I identified the main claim among
the numbered statements; and, finally, I drew a diagram for each argument for the purpose of identifying the relationships among the statements. In so doing, I paid attention to such conjunctions as "so" and "because". The procedure proposed by Warnick and Inch is suitable for the purpose of this case analysis because, on the one hand, it is flexible enough not to obscure cultural characteristics of argument styles and, on the other hand, is systematic enough to demonstrate how the negotiators make arguments. Through the process of argument analysis, I observed two main cultural differences in the styles of arguing between the Japanese and American negotiators. The first one concerns how the negotiators organize the claim and its support within each argument, and the second is related to the overall argumentation process within the whole negotiation.

A Case Analysis

First Observation

The following segment is an argument made by Mr. Horn, the American negotiator. [Each number indicates the whole sentence that follows.]

#3 (The underlined sentence indicates the argument's main claim.)

133 H: So but, Karino-san, I think I would suggest is at
134 this time, and tell me if you agree or not, is that the
135 first thing is to really find out how
136 serious their timing is. And, as I said, we would
137 like to accommodate you for many reasons, you
138 being a good tenant and prestigious tenant. But
139 again we, on the other hand, cannot lose a major
140 tenant for a whole quarter especially considering

3
the way market is now. If we lose this one, I have no idea if we can get another. So maybe the first step is rather than to try to figure out alternatives at this time is just to see if whether or not their timing is so critical. And if they can move that date a little bit, we just accommodate you.

In this argument, Mr. Horn's main claim is: "the first thing is to really find out how serious their timing is" (lines 135-136). He begins by stating the main claim and then offers two supports for the claim: "we would like to accommodate you for many reasons, you being a good tenant and prestigious tenant" (lines 136-138), and "on the other hand, we cannot lose a major tenant for a whole quarter" (lines 139-140). At the end of the argument, Mr. Horn summarizes his argument by repeating the main claim: "maybe the first step is rather than to try to figure out alternatives at this time is just to see if whether or not their timing is so critical" (lines 142-45).

Mr. Horn's argument can be characterized as follows: the main claim is given at the beginning; statements are offered in support of the main claim; and a summary statement is made at the end. The same pattern can be observed in segment #2.

#2

The first question I might have and you may see how we can work into our agreement is do you think you could use less space because I have some space on another floor, I think on the twelfth floor. And it might be about a half or two-third of what you have now. So if you could consolidate, then
since we already have the tenants coming in, may be that would work out for everyone.

Here, his main claim is "do you think you could use less space" (lines 47-48). He then offers a supporting statement, "because I have some space on another floor" (lines 48-49). At the end, Mr. Horn summarizes his argument by stating the consequence of his main claim, "that would work out for everyone" (line 53). In this segment, once again, the American negotiator's argument can be characterized as follows: the main claim is given at the beginning; a supporting statement is offered; and a summarizing statement is placed at the end.

Now let us examine the way the Japanese negotiator argues. Segment #6 is an argument made by Mr. Karino.

#6

54 K: Well, why don't you discuss this way for that.
55 Six months to one year, it's another short period.
56 So, if, you know, you ask us to move to other floor, I think it's a little bit inconvenient for us. So why don't you do this way. We will pay some moving expense to your committed tenants, the tenants coming to our space. Why don't you discuss with new tenants and you decide, since you already decided, why don't you talk with them that we will pay some moving expense convenient for
Mr. Karino's main claim in this argument is: "why don't you talk with them that we will pay some moving expense convenient for them to coming six months or one year later" (lines 62-64), which is placed at the very end of his entire argument. Mr. Karino begins his argument by offering supporting statements for his main claim, and these statements work together in unison to support the claim. The argument can be understood as follows: "Six months to one year, it's another short period" (line 55); so, "if, you know, you ask us to move to other floor, I think it's a little bit inconvenient for us" (lines 56-58); and so, "why don't you do this way. We will pay some moving expense to your committed tenants" (lines 58-59). The above statements in conjunction with Mr. Karino's statement that "you already decided (with your new tenant)" (lines 61-62) comprise the supporting statements. After these supporting statements are offered, Mr. Karino finally makes the main claim at the end of his argument.

His argument can be characterized as follows: a chain of supporting facts is given at the beginning of his argument and the main claim is made at the end. The same pattern can be observed in the following argument made by Mr. Karino.

91 K: Well, I think you know it's very inconvenient for
92 us to move other location even in the same
93 building. The construction is ( ).

94 H: They are all custom-made
95 K: custom-made. The reason is just, you know, out of

96 my hands just won't be able to control them. So
From the above analyses, the first observation can be summarized as follows: the American negotiator makes his main claim at the beginning of his argument, gives supporting statements, and summarizes his arguments at the end, whereas the Japanese negotiator begins his argument by offering supporting statements and gives the main claim at the end.

If this observation is supported, it could have a significant impact on negotiation interactions. In the following segment, for instance, Mr. Karino's argument is interrupted by Mr. Horn because of the way Mr. Karino orders the statements in his argument.

186 K: Well, you know. At this moment, my concern is you already have started negotiate with your new tenant and almost they are coming. So why don't you, you know...
189 H: What is your rent now? I don't remember.
190

Mr. Karino starts his argument by offering a supporting statement: "my concern is you already have started negotiate with your new tenant and almost they are coming" (lines 186-188). When he makes the transition from providing a supporting statement to making his main claim, however, his utterance is interrupted by Mr. Horn (lines 189-190). As a result, Mr. Karino loses a chance to make his main claim that should have been the most important part of his argument. If he had stated the main claim at the beginning of his argument, this would not have happened. This is an example of intercultural difficulties arising due to the differences in the way
in which the negotiators order the statements in their arguments. The culturally distinctive styles of argument, if not understood by each negotiator, could cause misunderstandings in intercultural negotiations.

Second Observation

The second observation concerns how each negotiator deals with the issues in the whole negotiation and how each negotiator proceeds from one argument to the next. If you examine each argument (#1-#5) in the following segments, Mr. Horn's topic of argument changes as the negotiation moves on. [The underlined sentences in the transcript indicate the argument's main claim.]

#1: Argument
38   H:    If I may interrupt you. You know, when we first
39   took the Nippon Club here, we did it for two
40   reasons, naturally to fill a space that we have
41   to make some money. But the prestige associated
42   with the Nippon Club was very important for us.
43   And so we, if we can, we really would, Sherman and
44   I, like to accommodate in some way.

   MR. HORN'S CLAIM: We would like to accommodate in some way.

#2: Argument
46   H:    The first question I might have and you may see
47   how we can work into our agreement is [1] do you think
48   you could use less space because [2] I have some space
49   on another floor, I think on the twelfth floor.
50   And it might be about a half or two-third of what
51   you have now. So if you could consolidate, then
52   since [3] we already have the tenants coming in, maybe

   MR. HORN'S CLAIM: Do you think you could use less space?
#3: Argument

133 H: So but, Karino-san, I think I would suggest is at this time, and tell me if you agree or not, is that the first thing is to really find out how serious their timing is. And, as I said, we would like to accommodate you for many reasons, you being a good tenant and prestigious tenant. But again, we, on the other hand, cannot lose a major tenant for a whole quarter especially considering the way market is now. If we lose this one, I have no idea if we can get another. So maybe the first step is rather than to try to figure out alternatives at this time is just to see if they can move that date a little bit, we just accommodate you.

MR. HORN'S CLAIM: The first thing is to find out how serious their (the new tenant's) timing is.

#4: Argument

149 H: Also I would like to ask you, if you could, is to give us a specific date, as you said you know the construction in New York, the way it is, it could be longer. So I really want an outside date from you.

MR. HORN'S CLAIM: Give us a specific date (of your moving out).

#5: Argument

218 H: Well, I, I think, as I said, we are willing to compromise and trying to work things out. But I think there will be some differential in a rent, because as I understand it, and I'm not sure we'll
check, we are paying a bit more. I'm not saying it's very much more. So, we want to compromise on that. But I guess that's it.

MR. HORN'S CLAIM: There will be some differential in a rent.

In order to analyze how Mr. Horn deals with the issues in the negotiation, his main claim in each of the above argument segments needs to be identified: (#1) the reasons for having taken the Nippon Club; (#2) the proposal that the Nippon Club will use less space; (#3) another proposal that they will figure out how serious the timing is; (#4) the request that Mr. Karino will give a specific date; and (#5) the claim that there will be some differential in a rent. Mr. Horn is trying to solve each issue one by one. He offers a different argument for each issue. In addition, his use of terminologies, such as "the first question" in line 46 (#2), "at this time" in lines 133-134 (#3) and "the first step" in lines 142-143 (#3), indicates that Mr. Horn is trying to solve the issues step by step. This attitude of the American negotiator is consistent with the literature that describes the behavior of American negotiators: the Americans view negotiation as "a set of specific items or issues, each to be settled independently" (March, 1989, p. 165), and "Americans usually attack a complex negotiation task sequentially--that is, they separate the issues and settle them one at a time" (Graham & Herberger, 1983, p. 164).

Let us now turn to the argumentation process of the Japanese negotiator. In the following segments (#6-#11), Mr. Karino is basically repeating the same proposal.

**#6: Argument**

54 K: Well, why don't you discuss this way for that.
55 1 Six months to one year, it's another short period.
56 So , 2 if, you know, you ask us to move to other
57 floor, I think it's a little bit inconvenient for
58 us. So 3 why don't you do this way. We will pay
59 some moving expense to your committed tenants, the
60 tenants coming to our space. Why don't you
discuss with new tenants and you decide, since you already decided, why don't you talk with them that we will pay some moving expense convenient for them to coming six months or one year later.

#7: Argument
91 K: Well, I think you know, it's very inconvenient for us to move other location even in the same building. The construction is ( )
92 H: They are all custom-made
93 K: custom-made. The reason is just, you know, out of my hands just won't be able to control them. So if with your tenants you've already committed, you're trying to make the agreement, be coming maybe small number of the employees or in any way to manage to come temporarily or one year or so ...
94 95 96 97 98 99 100 101 102 103

#8: Making A Claim Without Argument
112 K: Let me ask you that why don't you, you know, discuss with your new tenants if there is a possibility or not. If absolutely not possibility to postpone six months or one year, then you know we have to get back again and discuss about it.

#9: Making A Claim Without Argument
120 K: Well, well, you know, you know. I would like to know the situation, you know, if they have a problem. If six months, one year to be delayed coming. If, you know, as I said, absolutely there is no changes of the date which, you know, you
committed to them, then we have to think about
that, how we can overcome. You know, maybe we
can discuss with your new tenants, negotiate if
you will be able to do that. And another thing
is, you know, if they can in the same building,
and they can temporarily to move a smaller space,
then we will pay them the cost involved for them
for the period of six months or one year.

#10: Argument Interrupted
186 K: Well, you know. At this moment, my concern is you
already have started negotiate with your new
tenant and almost they are coming. So why don’t
you, you know ...
190 H: What is your rent now? I don’t remember.

#11: Making A Claim Without Argument
204 K: I understand the situation for that. So why don’t
you, why don’t you discuss with your prospect
tenant what is exact situation if they
absolutely won’t be able to change the date to
coming, in order to delay their coming and what
expense of cost involved for that.

Mr. Karino’s main claim throughout the above segments is: Mr. Horn should meet with the new tenants to figure out whether or not the tenants can change the date of moving in; If they can change the date, he will pay them the cost involved for moving; If they cannot change the date, Mr. Karino, Mr. Horn and Mr. Chu will get back and discuss again how to overcome the problem. It is as if he makes his entire claim and argument all at once, and once he does it he just repeats the same claim. In the segments #8, #9 and #11, he does not even offer an argument to support his claim. All Mr. Karino does is to repeat the main claim without providing supporting statements. This is consistent with the description in the practical literature: the Japanese negotiation style is slow and deliberate, "with much time given
to re-stating and re-clarifying their position to the other side" (March, 1989, p.167).

Essentially, the second observation can be characterized as follows. On the one hand, the American negotiator brings up the sub-issues of his entire claim little by little, trying to solve them step by step. He offers several different arguments with each different claim in the course of the whole negotiation. The Japanese negotiator, on the other hand, makes his entire claim all at once without giving a lot of arguments, and, as a result, repeats the same claim.

**Conclusion**

This paper has considered the question of whether or not negotiators from one culture argue in the same way as those from another culture. Specifically, it has compared the ways of arguing in two cultures: the Japanese and the American. Through a case analysis of a business negotiation, two observations have been made. First, while the American negotiator gives the main claim at the beginning of each argument and subsequently supplies his supporting statements, the Japanese negotiator begins his argument by offering supporting data and makes his main claim at the end of his utterance. Second, the American negotiator tries to settle the sub-issues of the negotiation one by one by offering a different argument for each issue, whereas the Japanese negotiator repeats the same argument several times trying to deal with the negotiation as a whole. The observations of the case analysis indicate that the two cultures have their distinctive ways of arguing.

As in any research, this study inevitably has limitations. First, the context of the negotiation role-play is limited. Mr. Karino has extensive experience working in the United States, and, in this role play, he is speaking in English, negotiating in the U.S. for property in the U.S. Therefore, the effect of assimilation on Mr. Karino might have influenced the result of the study. Second, the observations made in this study could be the result of the individual differences between Mr. Horn and Mr. Karino, as opposed to cultural differences between the Americans and the Japanese. For example, the fact that Mr. Horn is an attorney could have influenced the way he uses language. To overcome these limitations, analyses of a wide variety of data are encouraged. The case analysis in this article should be regarded as an
An implication of the study should be mentioned. It is noteworthy that the Japanese negotiator does not engage in argument as much as his American counterpart in the role play. In my transcript, while I can identify seven arguments made by Mr. Horn, only three arguments can be found that are made by Mr. Karino. Mr. Karino does not engage in as much argument as Mr. Horn, and, likewise, Mr. Karino's position does not vary as much throughout the negotiation. Therefore, it can be said that the Japanese negotiator does not argue as much as his American counterpart and that Mr. Karino is not as persuaded by the arguments offered by Mr. Horn as is his American counterpart.

From this observation, it can be speculated that argument is not as important in negotiation for the Japanese negotiators as it is for the Americans. This idea has a profound implication for cross-cultural study of argument in general. That is to say, we tend to assume that argument is the only way to persuade others and a necessary device in negotiation. However, it is possible that something other than argument is used to persuade individuals in Japanese negotiations. For instance, Matsumoto (1988) explains the way in which the Japanese influence others through haragei. According to Matsumoto's idea, haragei is "the art of influencing others on the strength of one's personality or self-effacing acts rather than on the validity of his arguments" (Matsumoto, 1988, p. 27). It might be haragei, not argument, that works to persuade others in Japan.

This article has, thus far, compared the ways of arguing in two cultures without considering how the negotiators in each culture conceive argument in relation to negotiation. However, the value placed on argument can be different from one culture to another. While logical argument might be very important in negotiation in one culture, it might not be integral in another culture. Considering that each culture has its own way of conceiving argument, we should carefully approach the study of argument in intercultural negotiation. Future research should consider the issue of how people view argument in addition to culturally distinctive styles of arguing.

In a society where people with diverse cultural backgrounds live together, it is imperative to have a better understanding about other culture. Given this social context, the study of cultural differences in the ways of arguing is an important area for future research. The case analysis in this
article is an example of a study that aims at promoting understanding about communication in other cultures.

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Appendix 1: Transcript of The Nippon Club Negotiation

<table>
<thead>
<tr>
<th>NAME</th>
<th>FUNCTION</th>
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<tbody>
<tr>
<td>Mr. Karino</td>
<td>(K): (a Japanese) executive director of the Nippon Club</td>
</tr>
<tr>
<td>Mr. Horn</td>
<td>(H): (an American) landlord of the building where the Nippon Club currently has an office</td>
</tr>
<tr>
<td>Mr. Chu</td>
<td>(C): (a Chinese-American) attorney for Mr. Horn</td>
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Mr. Karino is negotiating with his landlord, Mr. Horn, to extend his lease because of the construction delay of the new building where he plans to move.

1  H: Karino-san, how are you?
2  K: Good to see you.
3  H: Nice to see you. This is my attorney, Mr. Chu.
4  K: How do you do.
5  C: Here is my business card.
6  K: Thank you.
7  H: Mr. Karino is the executive director of the Nippon Club as I let you know
8  C: Uh, okay. Good to see you.
9  H: and one of our prize tenants, and unfortunately we are gonna be losing him soon.
10  K: (laughter)
11  C: (Three of them sitting down)
12  H: So, how have you been?
13  K: I'm okay. And I heard from your assistant that you might want some additional time on the lease.
14  H: That's right. We have some problems for that.
15  K: Construction most probably is being delayed.
16  H: There are couple of reasons for that. Some labor problem
17  K: most likely this is the construction company's
24 problem
25 H: I see.
26 K: but, you know, as far as we are concerned,
27 construction period according to the schedule
28 H: Well, how much time do you think you will need?
29 K: Well, I think it's maybe six months to one year.
30 C: That's long time.
31 H: Mm-hm
32 C: And we have other people also. Other tenants
33 would like to come in. I don't think it will be
34 possible to do it. If it's difficult for us,
35 we have to speak with them, we have to negotiate
36 with them since we have other relations.
37 K: Well, let me
38 H: If I may interrupt you. You know, when we first
39 took the Nippon Club here, we did it for two
40 reasons, naturally to fill a space that we have
41 to make some money. But the prestige associated
42 with the Nippon Club was very important for us.
43 And so we, if we can, we really would, Sherman and
44 I, like to accommodate in some way.
45 C/K: Mm-hm
46 H: The first question I might have and you may see
47 how we can work into our agreement is do you think
48 you could use less space because I have some space
49 on another floor, I think on the twelfth floor.
50 And it might be about a half or two-thirds of what
51 you have now. So if you could consolidate, then
52 since we already have the tenants coming in, maybe
53 that would work out for everyone.
54 K: Well, why don't you discuss this way for that.
55 Six months to one year, it's another short period.
56 So, if you know, you ask us to move to other
57 floor, I think it's a little bit inconvenient for
58 us. So why don't you do this way. We will pay
59 some moving expense to your committed tenants, the
60 tenants coming to our space. Why don't you
61 discuss with new tenants and you decide, since you
62 already decided, why don't you talk with them that
63 we will pay some moving expense convenient for
64 them to coming six months or one year later
H: Let me ask this, Sherman.
C: Mm-hm
H: Do you know if we've signed the agreement or have we just committed without a signature?
C: I think, I think we made a commitment without a signature.
H: And did they say that that was an absolute date that they have to come in?
C: We are not filling that. Because the bill of the negotiation about the date is supposed to fill in.
H: I see.
C: But at this point we don't know how settled to keep it us to
H: Well, let me, let me ask two things. If you could find out specifically if they have to leave at a set time
C: Mm-hm
H: or they could give some delay.
C: Mm-hm
H: And then we can answer. Now suppose, let's go a step further, forgive me. Suppose we can't delay their, I'm sure when they come in they're gonna renovate, they're gonna need some time for renovation and so forth. Suppose we made some accommodation for you to move to a small quarters, would that help?
K: Well, I think you know it's very inconvenient for us to move other location even in the same building. The construction is ( ).
H: They are all custom-made
K: custom-made. The reason is just, you know, out of my hands just won't be able to control them. So, I think it's, if with your tenants you've already committed, you're trying to make the agreement, be coming maybe small number of the employees or in any way to manage to come temporarily or one year or so
H: Yeah, but my understanding
K: in smaller space or
H: My understanding about that is that they really are coming in and renovating the entire floor.
So, we have a problem. I realize that you have a problem about moving, but if we are endangering our commitment you can understand that. We just can't do anything about it.

K: I see. So let me

H: So I would really like you to

K: Let me ask you that why don't you, you know, discuss with your new tenants if there is a possibility or not. If absolutely not possibility to postpone six months or one year, then you know we have to get back again and discuss about it.

H: (interrupting) Would you, would you, excuse me Karino-san, would you be willing to make some payment to them if they postpone?

K: Well, well, you know, you know. I would like to know the situation, you know, if they have a problem. If six months, one year to be delayed coming. If, you know, as I said, absolutely there is no changes of the date which, you know, you committed to them, then we have to think about that, how we can overcome. You know, maybe we can discuss with your new tenants, negotiate if you will be able to do that. And another thing is, you know, if they can in the same building, and they can temporarily to move a smaller space, then we will pay them the cost involved for them for the period of six months or one year.

H: So but, Karino-san, I think I would suggest is at this time, and tell me if you agree or not, is that the first thing is to really find out how serious their timing is. And, as I said, we would like to accommodate you for many reasons, you being a good tenant and prestigious tenant. But again we, on the other hand, cannot lose a major tenant for a whole quarter especially considering the way market is now. If we lose this one, I have no idea if we can get another. So maybe the first step is rather than to try to figure out alternatives at this time is just to see if whether or not their timing is so critical. And if they can move that date a little bit, we just
K: Also I would like to ask you, if you could, is to give us a specific date, as you said you know the construction in New York, the way it is, it could be longer. So I really want an outside date from you.

K: Well, I think it's you know we have five months more to expire our lease, our contract. So we have five months more. But I'm just trying to discuss, you know, at this moment I was informed that this construction will be delayed at least six months.

H: From now or from five months?

K: From five months.

H: I see.

K: After expired.

H: Uh-huh, uh-huh

K: So possibly one year we have to think about. So we just won't be able to tell you definitely, you know, how many months or so. Let's, you know, safe way, one year to extend our lease. Based on that, you know, our preference is we would like to stay one more same as condition possible. Or, you know,

H: Well, well let me say this.

K: Or

H: I'm sorry, uhh

K: Because New York City is, the situation is now is the rent is getting down and down

H: Except that we will be getting more and more.

H: I think we have to make some compromise on that.

H: (laughter)

H: Because we are getting, actually we will be getting a bit more, not a lot more. But we will be getting a bit more

K: Well

H: from the new tenants coming in.

K: Well, you know. At this moment, my concern is you already have started negotiate with your new
tenant and almost they are coming. So why don't
you, you know
H: What is your rent now? I don't remember. ( ).
C: Sure. They are paying fifty dollars ( ).
H: I see. Okay, that's market. I guess that's
market rent, so
C: My concern is, being people that talk with them,
you know, is that a year is a long time to ask to
the new tenant to wait what we need the space. He
has to make, I don't know whether or not he has
been specific difference previous, but you know,
I'm sure they are moving because they need an
extra space, you know. I think we're gonna have
to go to them with some offer of money to
compensate them for this just because a year is a
very long time to wait for
K: I understand the situation for that. So why don't
you, why don't you discuss with your prospect
tenant what is exact situation if they
absolutely won't be able to change the date to
coming, in order to delay their coming and what
expense of cost involved for that.
H: That makes sense.
K: Yeah. Then we can, based on that we will discuss
about that. So I think you don't, you won't be
able to lose anything for the space, either
ourself or new tenant. So for you is
H: Well
K: You know, I think the point is how we can, you
know, smoothly transfer to new tenant.
H: Well, I, I think, as I said, we are willing to
compromise and trying to work things out. But I
think there will be some differential in a rent,
because as I understand it, and I'm not sure we'll
check, we are paying a bit more. I'm not saying
it's very much more. So, we want to compromise on
that. But I guess that's it.
C: Yeah.
H: Do you have any other questions?
C: I think that any question that I had was asked.
H: Okay.
K: Thank you so much for
H: Karino-san, nice to see you again.
K: Good to see you again. That's very good
H: And as I say, we'll do all we can to work it out for you.

**Author Notes**

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