

Japan Livedoor tycoon Horie to be jailed

April 26 2011, by Shigemi Sato

Japan's brash Livedoor Internet tycoon Takafumi Horie will be jailed after losing his final appeal against a conviction for accounting fraud, a judicial official said Tuesday.

Horie, 38, was sentenced to two-and-a-half years by the Tokyo district court in 2007 for falsely reporting a pre-tax profit of five billion yen (\$61 million at today's rates) to hide losses at the [Internet service provider](#).

A high court appeal the following year was rejected, and the supreme court's third petty bench turned down the Livedoor founder again on Monday.

The outspoken dotcom entrepreneur -- who shook up Japan Inc's often staid ways with his media-savvy persona and hostile takeover bids -- insisted in a press conference streamed online that he was a victim of the establishment.

"It is regrettable because I have kept pleading innocent," Horie said, accusing prosecutors of cooking up the fraud scandal to shoot him down in a way that would discourage risk-taking venture businesses in Japan.

"When I get out I will use the rest of my life to state my case."

Horie remained free on bail Tuesday, but is expected to start serving his sentence in about one month's time.

The University of Tokyo literature dropout, who prefers T-shirts to business suits, became a household name with his start-up style that broke the rules of corporate Japan and made him a hero to many young people.

He made headlines in 2004 when he attempted to take over Osaka's indebted Kintetsu Buffaloes baseball team.

The following year he launched a rare hostile [takeover bid](#) for Nippon Broadcasting System from TV broadcaster Fuji Television, which failed but led Fuji to take a [minority stake](#) in Livedoor.

Dating leading actresses and known to zoom around Tokyo in a Ferrari, his nickname was "Horiemon", a play on the name of a blue robot cat "Doraemon", which is a popular manga cartoon character.

In May 2009 the dotcom tycoon and his aides were ordered to pay seven billion yen in damages to shareholders in his former firm over the fraud.

The Tokyo District Court ruled that the 3,340 investors had suffered losses from a plunge in the share price of Horie's Livedoor after the fraud scandal surfaced in early 2006.

The individual and corporate investors in the suit had sought 23 billion yen in damages from him and the firm's 22 other former executives.

He has reached an out-of-court agreement with Livedoor, now called LDH Corp., to pay the company 20.1 billion yen in damages, almost equal to all of his assets.

He has published about 20 books since his arrest, defending his case and featuring essays, interviews and novels, as well as an online magazine that had more than 10,000 paying subscribers in November.

Five or six more books were to be published in coming weeks.

Horie also has about 600,000 followers on Twitter, making him one of Japan's most popular micro-bloggers.

In the wake of the March 11 quake-tsunami, he used Twitter to disseminate information on the whereabouts of disaster victims and delivered relief goods to the destroyed town of Onagawa nine days after the quake.

He has started a company, SNS Inc, which is developing a small liquid fuel rocket that was test-launched this month, with the goal of sending up mini-satellites by 2014. The project will be carried on by his associates.

In his press conference, Horie insisted that he had been persecuted for breaking with the way Japan usually does business, and said "the prosecutors didn't understand the mechanism of the economy."

"The case has discouraged companies from launching M and A (merger and acquisition) attempts," he said. "Japan doesn't have a society which embraces the ambitions of young people."

In prison, Horie said, "it will be quite a long time, but I want to read books and learn about things in a leisurely way again," as well as continuing to publish books and his online magazine with the help of friends.

"I feel refreshed in a sense," he said. "It feels like I have made another move in the game of life."

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