For many, Kutragi's legacy is synonymous with the original PlayStation.

COVER STORY

The legacy of PlayStation creator Ken Kutaragi, in 24 stories

Look back at the early days of PlayStation and its ambitious, innovative and complicated father

By Matt Leone | @LattMeone | Nov 26, 2018, 12:00pm EST

Illustrations by Steve Courtney

Twenty-four years ago next week, Ken Kutaragi walked through Tokyo's electronics district, beaming with pride while fans treated him like a god.

After years of trying to make a game console — including a well-publicized collaboration with Nintendo, a less well-

publicized attempt with Sega, and internal debates over whether Sony should enter the business on its own — he'd done it. With the help of hundreds of others, the 40-something engineer had taken an idea and willed it into what we now know as the PlayStation.

Unlike most game consoles at the time, the PlayStation instantly became a showcase for 3D graphics. And unlike most engineers, Kutaragi had overseen nearly every aspect of the managerial and business deals that brought it together.

The system launched to near-instant success, and — as Kutaragi saw on his walk that day — fans ate it up, purchasing games like *Ridge Racer* and eyeing those coming soon like *Battle Arena Toshinden*.

Then Kutaragi repeated his success with dozens of other initiatives, including the PlayStation 2 — which remains the best-selling console ever made — and made PlayStation into a billion-dollar business. Kutaragi formally took over Sony Computer Entertainment (SCE), with many speculating that he would take over the rest of Sony as well. His luck came to an end after he ran into trouble with PlayStation 3 and then left the company, but for more than a decade, he experienced a level of success few have matched in the game industry.

Yet to some, his legacy is complicated by the way he went about making that happen.

For years, colleagues have described him with a mix of admiration and fear, commonly referring to him as "Crazy Ken" and telling stories about his tirades at work. Talk to people who knew him in his Sony days, and they'll often describe him as "moody,"

"stubborn" and an "extreme micromanager." And nearly everyone who worked closely with him in those days seems to have stories of his abrasive approach.

"HE ALWAYS RAISED ISSUES EMOTIONALLY. HE WOULD LITERALLY BARK, LIKE STEVE JOBS DID"

Mistwalker founder Hironobu Sakaguchi says Kutaragi blew up at him in a discussion in the mid-2000s, noting that he plans to take the details of that conversation to his grave.

Former Wall Street Journal reporter Rob Guth says that Kaz Hirai — who ran Sony Computer Entertainment America — once mentioned that Kutaragi treated him "like a branch manager." "Which was a complete put-down," says Guth, "meaning, it's the biggest market for this product and [Hirai]'s just kind of a peon."

Former Sony Computer Entertainment executive Makoto Iwai says that at early board of directors meetings, Kutaragi would be the only one who spoke, and if he couldn't express himself in English, he would ask his superiors to interpret for him. "He was using Terry Tokunaka or [Shigeo] Maruyama-san, who were supposed to be his bosses, just like they were servants," he says.

Iwai adds that in the early PlayStation days, Kutaragi was especially hard on the engineering team. "They were always being yelled at," he says. "'Make it happen! No, no, no, don't tell me that! I don't take no as an answer!' That kind of thing was a daily conversation, but everybody was kind of used to it."

"He always raised issues emotionally," says Iwai. "He would literally bark, like Steve Jobs did."

If he acted the same way today?

“It could be a huge scandal,” says Iwai.

Despite this, many people telling critical anecdotes for this article laugh through them, reflecting positively on their time working with Kutaragi.

Iwai, in fact, praises Kutaragi, describing him as a friend. And others justify his actions as ways to inspire people, calling him a “maverick,” a “visionary” and the hardest-working person in the room.

Others make the Jobs connection as well — and not always referring to Kutaragi’s anger and micromanaging tendencies. Mark Wozniak, one of the first Sony employees to work on PlayStation in the U.S., and brother of former Jobs collaborator Steve Wozniak, praises Kutaragi’s ability to get ideas off the ground.

“He reminded me of kind of a hybrid between Jobs and my brother, Woz,” says Mark. “Because he had, you know, great technical acumen, but he also had tremendous vision for the future.”

To many, Kutaragi’s approach served as a means to an end.

“You could make an argument that, had he been more polite — just for lack of a better term — the PlayStation would not exist,” says Guth. “The ability to launch that thing, I mean, it’s against so many impossibilities.”

“IF KEN HAD DONE A CLASSIC COURSE OF NEMAWASHI, I DON’T THINK WE WOULD

KNOW — THE WORD 'PLAYSTATION' WOULDN'T BE IN OUR VOCABULARY"

"[There's a word in Japanese called] *nemawashi* ... it literally means, when you replant a tree, you dig around the roots gradually in a circle around the tree and then you lift it up," adds Guth. "You don't just grab it by the trunk and yank it. You have to spend some time, [do] some spade work to work around the tree, but then you can just lift it up. And in Japanese business, this has the meaning of, in order to make a decision, before a decision's made, you need to go around to all the constituents individually and get their buy-in. And go out drinking, have meetings, get to know them and start to pull them into the direction you want to go, or get them to say yes to the decision you want made. And then, by the time there's an official meeting — where you're yanking the tree out, so to speak — it's already been done, and so it's just ceremonial almost. And that's how you get things done in Japan, still to this day. You don't just drive through the middle. And if Ken had done a classic course of *nemawashi*, I don't think we would know — the word 'PlayStation' wouldn't be in our vocabulary."

As is often the case, Kutaragi's legacy isn't easy to classify.

To learn more about the man behind PlayStation, we recently reached out to those who have known him over the years. Ahead of next week's release of the PlayStation Classic, we tracked down more than 20 of Kutaragi's former co-workers and colleagues and asked them to relay memories of his time at Sony — positive, negative or otherwise.

Below, we've edited many of those stories together.

[**Ed. note:** Ken Kutaragi did not respond to multiple requests to participate in this story.]

RELATIVE SIZE

In 1995, David Reeves interviewed for a job at Sony. The PlayStation had just shipped in Japan, so during the interview, Kutaragi asked Reeves if he wanted to see an early prototype of the hardware as a point of comparison. Reeves said yes, so Kutaragi took him to see a box that Reeves compares to an old Hewlett-Packard printer. Kutaragi was so proud that his team had shrunk the tech down into its final form that, in order to emphasize the prototype's scale, he asked a woman in the room to stand on it. "He said, 'We accomplished this in six months,'" says Reeves. "'We reduced it from a massive size down to the size of the PlayStation 1.'"

THE PITCH FOR PLAYSTATION

Shuji Utsumi

Former vice president of product acquisition, Sony Computer Entertainment America

> [In the early '90s], the major players were Nintendo and Sega. So we were trying to think, you know, how are we going to beat them?

Nintendo had already dropped us, so one strategy was to work with Sega. Another strategy was to establish a new platform. Another one was to forget about it and drop out because it was too hard for Sony. [*laughs*] Seriously.

There was a lot of debate between establishing Sony Computer Entertainment or working closely with the big game companies at the time. [...] But Ken was saying Sony needed to do PlayStation, and he asked me to prepare a document [for a presentation] laying out why Sony needed to establish a unique division to support it.

He had a vision for not just making a game console, but putting an OS on top of it, building libraries, etc. He wanted it to feel like we were a computer entertainment company, not just a game company. He would say, “Hey Shuji, my computer is not just Nintendo or Sega. My computer is Microsoft.” And Microsoft hadn’t announced a game business at all at that point. [...]

So I was kind of thinking, “What is this guy talking about?” But at the same time, he was an amazing guy. I was always trying to support him because he was so passionate. I was really impressed. I mean, I still remember this presentation.

So we had been evaluating the options, and then the final push was to pitch [then-Sony CEO Norio] Ohga and convince him this was a business Sony needed to be in.

There was a meeting with only maybe eight people in it. No other executives. It was just Kutaragi’s team pitching Ohga. Ohga was personally interested in the project.

And after Ohga saw the whole presentation, he just said, “Go for it. Do it. This is a project that Sony needs to be in.” He just decided it by himself. No other executives voted, only Ohga. Ohga said “do it” and that became a legendary story. Ken’s career went from almost zero [to essentially running Sony Computer Entertainment]. [...]

But Ohga had one condition. He figured that under Sony it wasn’t going to be successful, and under Sony Music it wasn’t going to be successful, so it should be a joint venture between Sony Corporation and Sony Music.

So he just said go for it. Then afterwards, we needed to go through the whole official greenlighting process with executive meetings, etc. But it was really done in

that meeting. That's why you would always hear Ken Kutaragi complain about the other top management at Sony. But he was always, always obedient to Ohga.

THE TIME KUTARAGI FIRED HIS BOSS

Shigeo Maruyama

Former chairman, Sony Computer Entertainment

After our collaboration with Nintendo fell apart, Kutaragi came up with the ambitious idea for Sony to make the PlayStation itself. It took a tremendous amount of effort to get that off the ground, so I came in to help.

Personally, that project resulted in distracting me from the music industry for 10 years. Prior to that point I had worked in Sony's music division, and PlayStation began to take up more and more of my time. But I was drawn into the whole thing. I was committed to the vision and I felt like we had to win this battle. We had to win the battle against Nintendo; we had to win over the internal opposition within Sony; we had to get this entire endeavor off the ground. I was swept away with this feeling and committed myself to succeeding.

Kutaragi was the main reason why. He's an extremely charismatic individual. [...] And he forced his staff to comply with what he wanted, like a madman. I don't think there was anything that the staff pushed back on and told him couldn't be done. [...]

My job was simple. Kutaragi was an aggressive individual that would butt heads with various department heads. My job was to go mend those arguments. I felt that my role was to make sure that he was comfortable and to build an environment where he could get his work done.

Technically speaking, I was always his boss or above him in the company hierarchy. But, at some point, our working relationship flipped, and he saw me as working under him even though officially I was above. The

attitude he showed toward me was closer to something similar to an artist's relationship to his or her manager. [...]

We'd get into arguments and sometimes he'd realize he was wrong, but he wouldn't apologize. That's not his way.

The most memorable argument was when he told me he couldn't work with me anymore. He told me I should quit. So I said, "OK, I'll quit." Then the next day he came over to apologize. But he didn't say, "I'm sorry. I went too far." That's not how he apologizes. He said, "You should probably continue to work." That's his style.

In my head I thought, "What is this idiot saying?" But, I said, "OK, let's get to work."

SEEING 3DO EARLY ON

Shuji Utsumi

Former vice president of product acquisition, Sony Computer Entertainment America

One story I remember very clearly was when I went with Ken Kutaragi to see a presentation by [Electronic Arts and 3DO founder] Trip Hawkins, back when [Hawkins] was working on 3DO in 1991 or 1992.

Trip talked about the machine's power, the marketing strategy and all the stuff you would typically say to try to make third-party developers want to develop games for a new system. And I thought he did a great job — his presentation was funny and entertaining.

So after it was over, I said to Ken, "Wow, his presentation was great."

Ken got furious. He said, "Hey Shuji, you're stupid. You don't know anything." He was yelling at me for three hours. I mean, it was crazy. He couldn't see it from my point of view.

I said, “Hey Ken, hold on. I don’t know too much about the technology, but the presentation was good. I mean, can I say it was a good presentation?”

He said no. He thought the presentation was just a fake. He thought Trip could talk and talk, but there was nothing there behind it. [...]

[Kutaragi] was so passionate. He had so much energy and was so driven. He was one of a few engineers at Sony who were famous for having a big mouth. And Sony Computer Entertainment hadn’t even been greenlit yet.

LITTLE PARAPPA

Susan Panico

Former head of PlayStation Network, Sony Computer Entertainment America

I grew up within the PlayStation organization, and towards the end of my tenure was running advertising, product marketing and then ultimately PlayStation Network before I left. But during that journey, at one point I was an assistant product manager, and I was coming up in the ranks and my job then was to market all the games that came out of Japan. [...]

And there was this one game that I was assigned called *PaRappa the Rapper*. [...]

If you think back to that time, [*PaRappa*] was very perky, a bit wonky. Everyone kind of cocked their head at it and were wondering, you know, how is this going to resonate here in the U.S.?

It was actually one of Ken’s favorite games. He really took to the character, took to the charm, loved the fact that we were making a really simple music game, and saw, I think, the opportunity for the cultural impact that it would have, particularly in Japan.

And so I was assigned this game and I was working with TBWA\Chiat\Day, who was our agency of record at the time, on what was going to be the U.S. marketing campaign at launch for this game, which is essentially [about] a rapping puppy, right?

Then our head of marketing, Andrew House, sent me to Japan to go present the campaign to Ken. And at the time, being really kind of young and whatever, the prospect of going to Japan and going to headquarters and presenting to the founder and CEO was pretty intimidating.

And I get there and I walk into — you know, it's August; it's hot as heck and super humid — walk into this office that's like one of those really long boardrooms and they set me up. And Ken walks in with a small entourage and he sits at the end of the table, and there was a translator and probably three or four people that I have no idea who they are. And I go and do my pitch for the campaign that we all loved in the U.S., and then he just kind of, you know, slammed his fist on the table and said a bunch of stuff in Japanese for a really long time. Then the translator said to me: "He doesn't like it."

I was just [stunned]. And I can't remember exactly what I said, but I had some exchange with the translator, just to try to get some more information around what he didn't like, and then Ken answered me in English. So then this was that pivotal moment where I'm like, "Oh, he understood everything I was saying."

And he chose to — he spoke to me in Japanese and then he switched into English and, you know, he said: "You don't understand PaRappa." He's like, "I want you to go back and understand, really, who PaRappa is." And that was it. He packed up and left.

And so, you know, I go home.

And the other side of this story — why I use this story a lot, actually — was because Andrew House, who was the head of marketing [at Sony Computer Entertainment America], had said to me, "Well, why didn't you stand up and fight for the concept?" I looked at him and I said I had no

idea I could. Because the founder and CEO, this is his pet project. And it was a good learning moment from a career standpoint.

So I worked with our ad agency. I literally flew back and forth to Tokyo probably three or four times after that, and he kept shooting everything down. Then finally, at the end, I started getting a little bit more comfortable with him and kind of started listening to how, you know, to help defend the U.S. point of view, and started pushing back, and we got into it a little bit.

There was just a legendary saying, similar [to what you hear about] Steve Jobs. Like, if you don't get fired by Ken at least once, then you're not close enough to the sun doing work.

And so I finally got it approved.

And the other piece of this story was during this whole time, I don't think he ever knew my name or said my name or had like, any super warm greetings for me when I would go out there. It was very operational. Like, "Come in. No, not good. Leave." And by the end, then, when I would see him around the halls of the Tokyo office or U.S. office, from then on out, every time he saw me, he called me "Little PaRappa." [...]

What's funny is, at the time, I totally took it as a term of endearment. Given the times that we live in now, now when I tell that story, people feel like, "Oh, that's really condescending." But he didn't mean it that way. [...]

And that became my name. And I would say, after spending 17 years at Sony, I don't even know if he would recognize my name if it came to him, but he would probably remember Little PaRappa.

PUSHING PLAYSTATION IN KOREA

Makoto Iwai

Former general manager, Sony Computer Entertainment Korea

He was quite supportive of our efforts to sell PlayStation in Korea.

Ken was very interested in the internet culture in Korea. Back in the early 2000s, there were 16,000 internet cafes there, and everyone was playing MMORPGs, local ones. So he was very interested, and he believed — even at that time — that PlayStation's future was online.

This was around the time when Korea started to lift its ban on selling Japanese music, movies and games. So when he heard that the market would be open, me and my superior started visiting Korea without telling anyone we were from Sony. We even founded a company without Sony's name on it — we didn't want the public to be aware. We called it "KR Project," or something like that. It was a totally irrelevant name. And at first it was just the two of us, and we started doing research and visiting local game companies like NCSoft and Nexon. Later, Sony opened a formal PlayStation Korea office and I moved out there.

Korea is a totally different market. We faced a lot of difficulty because at that time PlayStation 2 was invincible globally, but Korea was one of the very few countries where the majority of people had never heard of it. All the game industry people were like, "Oh, PlayStation is great." But not many customers knew about it, so we had to build up everything from scratch. And that was tough, because everybody had a PC at home for studying, and there wasn't the same history of game consoles there.

We believed that if a local game came out for PlayStation, it would change everything. But to make that happen, we had to convince the big local companies — Nexon or NCSoft. That was the hardest part because PlayStation 2 was not good enough at that time, honestly speaking, to run those kinds of MMORPGs.

So I visited, for instance, NCSoft many times to meet with their founder, Taek Jin Kim. And I'd say, "Mr. Kim, let's do a PlayStation game." And he'd say, "Oh, yeah, I don't know."

So for the one-year anniversary of SCE Korea, we invited Ken as a VIP and he came over. I'm not sure if it's true, but Ken strongly believes that

his ancestors are from Korea. And he used to go visit Samsung a lot, so he was familiar with the heavy drinking culture there as well.

I wanted to motivate the local developers, so I invited Nexon's [chief technology officer], a friend of mine, and we had a very small dinner. And Ken was a big drinker. He could drink a lot. And he was matching drinks with the guy from Nexon, who was much younger than him. He was saying, "I know this is how you guys drink." You know, *kanpai*, "drink up."

Oh my god.

So he was quite supportive.

EXCHANGING BUSINESS CARDS

Shuji Utsumi
Former vice president of product acquisition, Sony Computer Entertainment America

At one point [Kutaragi] was complaining about how the staff in Sony's U.S. office had titles that sounded more important than his — VP, senior vice president, director, etc.

The way Japanese companies often work is that, even though you might have a big team working for you, your title might be something like assistant manager. At Sony in Japan, you could apply for the assistant manager title seven years after you joined the company, or something like that.

So there were lots of influential people exchanging business cards at different times, and all the Western staff had big titles — Steve Race was CEO of Sony Computer Entertainment America, for example — and Ken had a small title. And, you know, Ken often clashed with Steve Race, and Steve Race just saw him as an engineer.

The U.S. side didn't get Ken. They were like, "Why is he so demanding? Why is he talking about marketing stuff? He's an engineer."

Ken [officially] only oversaw the engineering division, but he was really vocal, so he basically influenced everything. But people in the States would see his title and judge. If you see "assistant manager," I mean, it's really like, hey, this guy shouldn't be the decision-maker.

So I mean, Ken was complaining. He was like, "Hey, the U.S. guys are really, really bad." He was really complaining about it. And I told Ken, "Hey, this isn't something unique to Sony. This is just the culture here."

Anyway, the Sony Japan staff all had business cards with English translations on them. They were direct translations of the Japanese titles, but I suggested to Ken that they didn't have to be. He could just change what his said in English to give himself more leverage.

And then Ken said, "Hey, Shuji. That's a great idea. I like you." Right away — right away he did it. It's like, he was complaining about this, and then instantly, "Hey, that's a great idea." I mean, he was very flexible.

So he took that idea to [SCE president Teruhisa Tokunaka], who was his boss at that point. And he liked the idea, so they started to change their English titles to match up better with the U.S. team's.

THE DEBATE OVER PIRACY

Makoto Iwai
Former general manager, Sony Computer Entertainment Korea

There was a big fight, actually, between SCE and Sony. [Kei] Kodera-san, he oversaw Sony's marketing in Asia. Later he became Sony China's chairman and retired. But at that time, he was really pissed during a meeting with Ken. [...]

When PlayStation launched in Japan, people imported it into different Southeastern Asian countries. And in every city, the voltage was different. In Japan, it was 100 or 110. In some Asian countries, it was 220, so if it got plugged in, pfft — it broke. So what players did was, they carried those PlayStations to Sony's service centers. And those centers didn't fix PlayStations; they were Sony Corporation sites. Then people started complaining: "It has 'S-O-N-Y' on it, so why can't you guys do it?"

Around that time, the Sony Corporation side started asking if they could carry PlayStation as one of their products. We were kind of reluctant, because the game business is a software business. That's where you make your money. And Sony was in the hardware business. [...] I was bluntly saying at that time that the hardware business was a sacrifice for software. And back in the day, piracy of music and even Nintendo cartridges was a serious issue, right? Piracy was becoming a problem for PlayStation — remember on the first PlayStation, if you booted the system and used a paper clip and swapped the disc, you could play pirated games? This was especially problematic in Southeast Asia because there was no intellectual property protection.

So Kodera-san made an appointment to visit SCE, and he met with Ken and others. He talked about how SCE wasn't doing official business in these territories, and how that led to problems with piracy. And he said that damaged Sony consoles were being brought to Sony service centers, and they couldn't do anything with them.

"So," he said, "you gotta do something."

And Ken was like, "There's no piracy issue with PlayStation." He denied it. Even after the staff showed how people enjoyed pirated copies, he said, "No." Because he already had the next-generation PlayStation on a different chip, which didn't allow pirated copies to be played. [...]

He was always thinking ahead, as if things had happened already. He talked like that, always three steps ahead.

ATTEMPTING TO CHANGE THE LAW

David Reeves

Former president, CEO and co-chief operating officer, Sony Computer Entertainment Europe

During the period when we were launching PlayStation Portable, Ken said that he wanted to launch [it with earbuds in Europe]. And he gave us probably about a month's notice. And then when we went to Tokyo, we heard from the European Union that unfortunately, by including the headphones, he was exceeding the [legal] decibel limit on PSP, and it would be rejected by probably the French and the German authorities, and it would simply be rejected under European law.

The designers didn't quite know what to do, but our suggestion was [to take] out the headphone pods. We [could sell] them as an accessory, and the European Union would accept this [because they would be considered a customer choice rather than a core part of the hardware].

The funny moment was that Hino-san, who was the product designer, was a bit afraid of Ken and so she kind of pushed me into his office and said, "David-san. You go in and talk to him and tell him about the bad news," because the EU would reject it.

So [she] pushed me in, and I explained to Ken that the EU would reject this. And he said that I had to change the EU law: "You have to change the EU law."

I said, "Well, how long do I have?"

He said, "You have one month."

I said, "Well, it took nine years to get this law." [...]

And the second thing was that strangely enough, EU had said that the PSP was regarded and categorized as a toy. He said, "David, this is not a toy. This is technology. They cannot categorize it as a toy. You have to change this with the EU. You have to go to Brussels and change it in one month."

I said, "Ken, you know, it can't be done."

So he said, “I’m not happy about this. You have to change it. You have to change it in EU within one month.”

So to cut a long story short, then in the afternoon, he invited me back into the office and he said, “I found a great solution, David-san.”

I said, “What’s that, Ken?”

He said, “We're going to sell the earbuds as separate accessories and it gets around the law.”

I didn’t say to him, “Ken-san, this is what I suggested in the morning.” I just said, “That’s a great idea, Ken.”

So it took us a while to repackage it, and [partially because of that extra work] we launched the PSP probably about five or six months after the U.S., but it just showed that you never know with Ken.

TROUBLE WITH THE NAME

Shuji Utsumi

Former vice president of product acquisition, Sony Computer Entertainment America

Did you know the PlayStation was almost not called “PlayStation”?

When Ken Kutaragi first pitched the idea for the system, he gave the pitch to [then-Sony CEO Norio] Ohga. And Ohga made that decision quickly — boom.

But after that, we also put together a presentation for Akio Morita, who was the founder of Sony. We had about six or seven people there, and we weren’t really seeking his approval, since Ohga had already greenlighted it, but it was kind of a courtesy meeting.

Morita had a cold, so we went to his house for the meeting. He looked sick, lying on the sofa. But as the meeting went on, he tended to perk up here and there. And

after the presentation, he shook Ken's hand and said, "This is great. This is a project Sony needs to be in. I've been waiting for this kind of project for long time. You did it — great. Good job."

And then he said, "By the way, I don't like the name PlayStation. You should change it."

So after we finished the presentation, we felt super happy about how Morita was excited. Super excited. Super supportive. And then we started talking about the name. I mean, the name was already registered. [Kutaragi had thought of the name, and was personally attached to it.] So we were like, "Shit, what should we do?" And Ohga was like, "Holy shit. I mean, what should we do?"

Ken's expression was really mixed. He was so funny. Because I could tell he was like, "Shit, what should we do?"

So we started to search for a new name.

But about two months later, Morita had a stroke. He was playing tennis and something went wrong with his brain. He couldn't move his hands or talk much, so he was hospitalized. And he never ended up coming back to work, so we knew it was very serious.

Then, sometime later, Tokunaka-san asked Ohga-san, "Hey, we really want go ahead with the name of PlayStation because everything is already done. We've finished the registration and all that."

So Ohga-san said, "Go for it." That's a story we never told because there were only six, seven people there, including me. We were so embarrassed.

A DESK ON EVERY FLOOR

When Sony Computer Entertainment America vice president of research and development Bill Rehbock first visited PlayStation's headquarters in Akasaka in the mid-'90s, he was surprised to find that Kutaragi had a desk on nearly every floor of the approximately 12-story building. It was less about micromanaging and more about Kutaragi making himself available to team members who might not normally have access, says Rehbock. "I think he was where he needed to be, you know?"

WE DON'T LICENSE MEMORY CARDS

Bill Rehbock

Former vice president of research and development and developer support, Sony Computer Entertainment America

[After moving from Atari to SCEA shortly after PlayStation launched] I became VP of R&D and developer support, and as a result also wound up heading the peripherals licensing program, which really kind of led to one of my most interesting interactions with Ken. [...]

So at the time, there were companies that wanted to do memory cards that were Tomb Raider-themed and things like that. And the peripherals licensing program [was going to give them an official license and] Sony was going to get a percentage of the sales, right? Very typical, and kind of similar to the licensing program for software.

And Ken said, "No, no, no. We don't want to license memory cards."

I said, “Ken, why wouldn’t we want to? [Why shouldn’t we license memory cards and controllers] and everything else?”

And Ken, I’m very much paraphrasing here, but the general gist of it was that [he didn’t want to] because the memory cards themselves did not actually contain specific Sony IP, right? [They used] a Motorola microcontroller with some serial flash [memory] and, you know, there really wasn’t anything that fancy about it. [...]

So it was really kind of interesting, because here’s a guy that is in the midst of launching what would become the most powerful and influential platform ever, but humble in the context of, hey, this is not something that we should get paid royalties for, because, sort of, we didn’t earn it, you know? Which really made me have a tremendous amount of respect for the guy.

WE DON’T DO BUNDLES

Chris Deering
Former chairman, Sony Computer Entertainment Europe

I met Ken for the first time at CES in Las Vegas in January of 1995. I said, “Gee, I’m so excited about this. It’s nice to meet you. I have a lot of questions.” He says, “Well, that’s nice, but I have a lot of questions for you first.” So that kind of threw me back, but it did sort of send the signal that, you know, “I’m the boss and I’m going to be a lot more hands-on in the distribution than you might think, based on what you’ve seen with electronic publishing.” [...]

He had a couple of ... like, iron rules. I got burned on one of them. I almost got fired over one of them.

He said, “We don’t do bundles.”

That was a thing the U.S., I think, was going to do with the launch. [SCEA was going] to have a launch bundle, and he said, “We don’t do bundles. Our hero is the

machine, not an IP."

Now, I'm not sure he was right on that. I think we all kind of said, "Well, but bundles are [good for business]." You know, if you want to play the game, it's like going on a football field and saying, "We don't do long passes," you know? "We only go on the ground and short passes."

Finally, I did a bundle, a very short, little bundle for a weekend in Germany. [...] It might have been *Formula 1* for [driver Michael] Schumacher. It was just to get, you know, all the displays in [retail stores] Metro and Media Markt. And our managing director there, you know, his sales force was telling him that's what you've got to do. I don't think it was even packaged in the box. [...] It wasn't even in all the stores. It was just, like, for one retailer or two. [...]

And [Kutaragi] almost — he really screamed at me in Japan, and I thought he was going to call me out and say, you know, "That's it. You know the rules. You did a bundle and you're out of here." I really was quite concerned.

Of course, I never did one again for about a year [after that]. Then he finally relented and realized [it made sense to do them].

But he was very headstrong about what he wanted to do and how he wanted to do it, and people lived in terror of him.

But I liked him because he was so passionate and he worked harder than anybody else, you know? He wasn't lazy. He wasn't being tyrannical because that's just the way he was. He was being tyrannical because he was driven like no other to make this succeed and to change the rules of the game.

PUTTING THE HARDWARE FIRST

Henk Rogers
Former chairman, AnimaTek

So if you go back, I had a relationship with Sony before they released the first PlayStation. I had a development group in Moscow with Alexey [Pajitnov] called AnimaTek. We did some demo work for Sony when it was still called PSX. They didn't know what the PSX was going to be yet. It was a codename.

Ken Kutaragi, when he took over that project, he went around to every software company ... and he asked us, "What would you like to see in our machine? We're going to build it, and we want it to be what you want." And so we said we want cheaper media. We don't want cartridges; they're too expensive. We want CDs. We gave him a bunch of stuff, and they actually listened to us and built the machine that we asked them to build. So that's my beginning of my relationship with Kutaragi.

Then he worked his way up and he became a little bit high in the clouds. [...]

I remember saying in the beginning, because we were making Nintendo games, it was like, "Look, we don't have money to gamble on this new platform. What if you don't have sales? Are you ready to fund some games?" And he said no. [*laughs*]. He said, "No, we're going to make for you the best platform ever, and we're going to spend our money there. You can make up your own mind whether you want to support the platform or not." And I thought that was sort of a ballsy proposition, because they were going to come out as the third machine [alongside] Nintendo and Sega.

KUTARAGI'S TRADITIONAL SIDE

Jeremy Heath-Smith
Former CEO, Core Design

I've known [Kutaragi] for many years, way back from the early years, obviously. [...]

He was always great company. We would go out drinking on a very personal level, which is great fun, and he was always a good guy to have

around. But he equally was also very ... you know, he was massively traditionalist in his Japanese culture.

I remember when I first saw, I think it was PlayStation 2, or maybe 1. [...] I'd been out with him that night before. Literally, you know, we'd gone to a casual bar in his district where he lived, had some lovely food, had a great night, drank some gorgeous wine. And then the meeting the following morning was at Sony HQ, and we arrived to this unbelievably grand boardroom. And then there's Ken and numerous other officers from Sony. There's myself, and I think there's probably three or four of us, and the whole meeting was conducted in Japanese through an interpreter.

And I sat there looking at Ken going, "Well, I know you can speak English, mate, because I was out with you last night until the early, early hours." But, you know, the traditional way of holding a business meeting was that they would only speak in Japanese.

LIVING IN THE FUTURE

Justin Keeling
Former editorial director, G4

Every year, [Sony] used to do this product showcase cocktail party after Tokyo Game Show. I don't know if they still do that. But it used to be held in the old PlayStation headquarters. Essentially, they'd take over the top floor and they'd just like, deck it out with all the latest upcoming — not just PlayStation technology, but the latest Sony technology and whatever they were working on. [...]

[And one year] I ended up getting into conversation with [Kutaragi] there. I think I was still a journalist at the time, so, being a consumer-driven journalist, I was trying to get pieces of information about when this game was coming out or when that game was coming out, or the

usual kind of gotcha-style announcements. And he just — he wasn't that interested in talking about that.

I remember he had this phone. I think it was a prototype Xperia phone that had NFC built into it. And, you know, it's not a big deal now, but 12, 13 years ago, this idea that you could basically take this phone and just wave it around like magic and buy things with it, it was like science fiction.

And I remember [...] they had this sort of virtual sushi bar, and he took this great joy in waving his new prototype NFC phone around and basically ordering sushi with his phone. You know, the twinkle in his eye when he was showing me that was kind of what he was all about. And I don't think he was necessarily off-brand. But he was clearly someone who was just always happiest talking about the future rather than the thing that was sort of the now.

THE KUTARAGI FAMILY LEGACY

Makoto Iwai
Former general manager, Sony Computer Entertainment Korea

When I decided to leave Sony [in 2005], I got an offer from Namco and [an offer from] Bandai. After deep consideration, I went with Bandai, and I sent a proper letter of apology to Namco. One week later, they announced the merger [between Bandai and Namco]. I was like, "Oh shit."

So I was part of the merger program — meeting the management staff, meeting each other and [attending] parties. And they said, "Oh Makoto, we were destined to be together anyway." That kind of thing. Some people didn't have a good feeling about that, but anyway, that's part one [of the story].

Then Mr. Unozawa, at that time head of the video game section of Bandai — he later became Bandai Namco's president — Unozawa-san and Ken were quite close.

And there was one time Ken casually told Unozawa-san, “My son [Hayato] applied to your company, but looks like he didn’t make it.” Then Unozawa-san was like … pale. And he called Bandai’s HR, yelled at the person in charge: “What the heck? How come you messed up?” Kutaragi is a very unique family name, even in Japan. So, “You should have known that.”

Well anyway, then they tried to give [Hayato] a second chance, saying that, “Ah, there was some kind of mistake. We’d like you to come back and do the interview.” Ken’s son is a very mild-mannered, modest person, [so he said], “Oh no, that’s OK. Thank you very much, but I’m fine.”

Then he got a job at Namco. [*laughs*]

WORKING WITH THE ENEMY

Katsuhiro Harada
Tekken series director and general manager, Bandai Namco

Kutaragi-san was a special person for everyone at Namco because we had such a close relationship, and since he was one of the main people responsible for the success of the PlayStation early on.

He even wrote a book and labeled three major things he thought contributed to the success of the PlayStation brand, and collaborating with Namco was one of the three — not just for making PlayStation games, but also with the arcade boards we created together. And when we were developing the first *Tekken*, when we got towards the gold master, he actually came by and checked on the team, and he brought us a huge barrel of sake. I’m not sure what you’d call it in English. You might have seen a picture. It’s in the wooden barrel and you crack it open and you can drink it. To kind of celebrate, you know, us mastering that game. So he was very close to Namco.

It’s hard to get too specific into some stories — there’s a lot we can’t make public …

Michael Murray

Game designer and interpreter, Bandai Namco

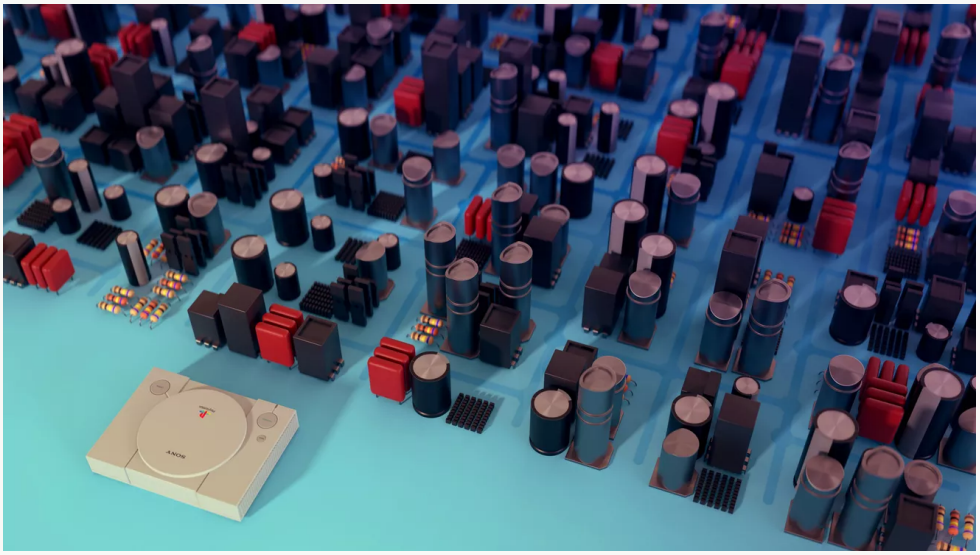
I remember one that I think is OK to say.

After Kutaragi-san retired from Sony, his son [Hayato] actually joined Bandai Namco. He worked under Harada in the sales department. And this was right when we were beginning to port Tekken to other systems besides PlayStation. *Tekken 6* was the first time it was on Xbox.

So Harada put him in charge of the Xbox version.

He had to do all the negotiations with Microsoft. It was quite entertaining. [...] Then later he went on to work on the Tales Of series, which is what he wanted to do from the start.

PLAYSTATION AS A TROJAN HORSE



As one of the first Sony employees working on PlayStation in the U.S., Mark Wozniak often spoke with Kutaragi about plans for the hardware, and at one point was caught off-guard when Kutaragi said he wanted to use PlayStation as a Trojan horse for Sony to enter the PC market. “I thought he was joking at the time and I laughed,” says Wozniak. “He’s a pretty proud man, deservedly so. Then I realized, oh, he was serious.”

KEEPING SECRETS

Shigeo Maruyama

Former chairman, Sony Computer Entertainment

Kutaragi liked to be in the know on all facets of the company, not just the technical ones. The problem was that he wouldn't reciprocate and disclose what he knew with us. He was protective of the information and ideas that he had in his head, but he demanded that everyone else share with him the information that they knew.

So we would be put in a position of having to guess what he was thinking at all times. That was the hardest thing about managing Kutaragi. [...]

At one point early on, he told me that he wanted to make games, but what he really wanted to create was a semiconductor division in Sony. At the time, Intel was making the fastest semiconductors, and he wanted to make something better than Intel.

I said, "What?! That's not why we got into games." That was my reaction.

So he wanted to use gaming as a lever to pursue his ambition there. He wanted to beat Intel. He told me this while we were trying to seal deals with publishers for making PlayStation games, and it made me dizzy.

REPORTING ON KUTARAGI'S ASCENT

Rob Guth

Former Tokyo bureau chief, The Wall Street Journal

I got hired by The Wall Street Journal in 1999, and The Wall Street Journal had had some really good coverage of Sony and the rise of PlayStation. I basically just kind of took over that mantle. [...]

So for whatever reason, after writing [various smaller stories about Sony, I wanted to write a larger] profile of Kutaragi. And the question was, how could it be different? And I had these sources and I started visiting people and talking to them about, “What’s the real Ken Kutaragi story? What’s myth and what’s reality? And what’s his future in this company where he’s the largest source of profit at the time, and he’s in an industry that’s growing, and he’s leading that industry, and he’s making a big bet on the future?”

And I started just getting this sense from people, and I forget the details, that against all conventional wisdom, he was being considered for the top job at Sony. And there was just no way. So many people hated him at the company, and he just was seen — he was written off as “kind of an arrogant jerk whose little game thing was good today, but don’t lose sight of the fact that these kind of entertainment things can vanish, and he may be on the rise today but he’ll be gone tomorrow.”

But despite that, there was definitely this sense people were giving me — and no one had, that I could tell, any specifics. So I gathered the thread on this story, and tried to find anecdotes of him in action, and ones that weren’t just kind of the holy chestnuts from the past, and somehow I landed an interview with [Nobuyuki] Idei, the CEO [of Sony]. And Sony at some point, I had to go to them [and tell them], “Hey, I’m working on this story.” And they probably [gave me an interview] to shut me up. And I would see Idei pretty regularly, but [he didn’t do] a lot of one-on-one interviews. [...]

So I go in there, and I start laying out a scenario of Kutaragi doing more at Sony corporate, and it was the strangest thing. Idei starts staring at the table in front of us, and almost trance-like he starts disclosing to me his plans for Kutaragi. And the PR guy there had no clue, and it was completely freaking [us] out, like, “What is going on here?” It was so strange.

He was like, “You know, Kutaragi, he could be a god. The question is whether he wants to be a god.” [...] And I’m sitting here going like, “What is going on?” Idei wasn’t looking at me. He was in this weird mental state.

And I was like — I was freaking out. I'm like, "What the — where is this coming from?"

And he basically walked me through this thing. Like, "I'm thinking about moving him up, and I'm probably going to decide soon." And I wrote that story, and it went nuts. It went all over the place. To the point where soon afterward, I moved back to the U.S., and Bill Gates, I sat down with him and he's like, "Tell me what's going on with Kutaragi." [...] It was just this really [big thing]. And Sony people in the U.S. were just like, "Holy shit." As well as in Japan, and it got covered then by Japanese media.

But it was — anyway, it was one of the weirdest experiences I've had. And I guess my reporting kind of — I was doing all that while Idei was trying to figure this stuff out, and at that moment the two things came together and I think, you know, for the first time publicly he said something about it, and it led to that story.

But ultimately he did make that move, and ultimately Ken didn't survive. But I do think it was a sincere effort to see if Ken could help save the company from certain doom.

STOPPING AT THREE

Shigeo Maruyama

Former chairman, Sony Computer Entertainment

I thought [Kutaragi] was going to take over all of Sony. I think that probably would have been for the best. He was the engine behind it all [...]

When the original PlayStation was being manufactured and getting ready to ship, he was already meeting with the staff about his vision for PlayStation 2. Then before PlayStation 2 was released, he was already working on PlayStation 3. So when PlayStation 3 was getting ready to

ship, I asked him, “So, what’s your plan for PlayStation 4?” And his response was, “[PlayStation 4] is not my responsibility.”

So that means from the time he was working on PlayStation 3 he was already thinking that he wasn’t going to be involved with PlayStation 4. Whether he thought he couldn’t handle working on the PlayStation 4 while moving up in the company or he didn’t have the technical knowhow necessary to handle the job, I don’t know because I didn’t ask. But he clearly said that he wasn’t going to be involved in PS4 [more than seven years before PS4 ended up shipping].

No matter how his position had changed within the company, I don’t think he would have been involved.

THINKING BEYOND PLAYSTATION

Shigeo Maruyama

Former chairman, Sony Computer Entertainment

We ran into a lot of trouble because of how we designed the PlayStation 3.

The main component of PlayStation 3 was a microprocessor called the Cell. It was designed not only for PlayStation 3, but for inclusion into other Sony electronic products. That was the idea, anyway.

Initially, we expected the manufacturing costs to be expensive, but as we put the Cell into appliances and other products, the cost was supposed to come down over time. The challenge was that we had to sell, on average, three products per Sony customer utilizing the Cell to make the numbers work.

On top of that, none of the other departments at Sony wanted to be first in line to use the Cell, because — until the costs would eventually come

down — they would be stuck charging higher prices than their competitors.

So ultimately, PlayStation 3 was the only product that used the Cell processor.

Our vision was to have all of Sony's electronic products use the Cell, which would've brought down the manufacturing costs and improved the image quality of all of Sony's products. That was Kutaragi's vision and what the rest of the staff hoped to accomplish. But it didn't happen and is my biggest regret.

KUTARAGI'S FAREWELL SPEECH

Justin Keeling
Former general manager, IGN International

So the other thing that happened around that time ... there was this presentation that [Kutaragi] did, and I think this was, like, literally two months before he stepped down as head of PlayStation. I think it was 2006.

So, you know, back then, TGS used to do these fairly significant keynotes, and I think the year before, Iwata-san had revealed the Wii controller at the TGS keynote, which was a pretty big deal. And so this year, I think it was 2006. It was right before PlayStation 3 debuted, and it was the 10th anniversary of Tokyo Game Show. [...]

So we were all sitting there in the room expecting a big PlayStation announcement. Some kind of important news. Some kind of game-changer.

And, you know, so we all file in. We're sitting there and in he comes. And he starts off by showing the sizzle reel of upcoming PS3 titles, and we're off to a good start. People are pumped, and he talks about how there's,

like, hundreds of demo consoles at the show. It's, like, the biggest show PlayStation's ever done, and it's a huge kind of show of faith in the future of PlayStation. So we were settling in for a good sort of dump of games and news, essentially.

But with the sizzle over, I think within about three minutes, he pretty much went on a tangent for the rest of the hour that had absolutely nothing to do with PS3 or PlayStation or even really gaming.

And, you know, I think we were all pretty confused by that. [...]

The mood in the room was very much like, we're waiting for Ken to kind of drop the bomb, so to speak. But what he ended up doing was talking about all these super esoteric fringe technologies which we just didn't understand. So he'd be talking about how we'd be banking and shopping on our PS3s and contributing to this global network that could solve shared problems faced by humanity. And I guess that became the Folding@home thing, but we all stepped out of that pretty confused. I think the general mood in the room was like, this was basically the least eventful keynote in TGS history.

But, you know, [thinking about it now, he was actually talking about] some of the core challenges — like, systemic challenges and opportunities around the future of the industry. Some of the stuff that he was talking about are really things that we're even trying to address now. [...]

In retrospect, everything he talked about was really, incredibly prescient. And, just reflecting back on it now — in the days of loot boxes, and the tendency some publishers have to try and fleece the player with predatory business models and the rest of it — personally, I kind of miss the days of when gaming companies were led by those visionary technologists and creatives like Iwata and Kutaragi that had a real vision which was centered around almost a more altruistic version of where the future could go. [...]

I think that particular conference was really kind of like his swan song and his sort of love letter to the future of what gaming could be, unbeknownst to us.

MOVING ON

Ken Kutaragi left his role as president of Sony Computer Entertainment in 2006, the first step in a series of moves that led to him departing Sony altogether.

In the years since 2006, he has received multiple lifetime achievement awards, started an artificial intelligence research lab called Cyber Ai Entertainment, and sat on the boards of various companies — including Ascent Robotics, a startup developing software for self-driving cars.

Now in his late 60s, Kutaragi tends to keep a lower profile, occasionally appearing in Japanese media but not making the same sort of bold public proclamations that he once did. Those in touch with him say he's still constantly thinking about where the tech industry will go next and how he can be a part of it, and that he hasn't entirely changed his ways since the Sony days.

Former Sony Computer Entertainment chairman Shigeo Maruyama, for example, says he still sees Kutaragi from time to time, and that the two often reminisce about their time at Sony and how they were able to change the course of the video game industry.

"But he still never tells me what he has planned for the future," says Maruyama.

"See? He hasn't changed."

Some quotes in this story have been lightly edited for clarity.

Additional reporting by Joseph Knoop, James Mielke and Patrick Stafford.