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Molten's DIY balls aim to close global education gap

ESG Talk

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Molten Corp., a company in Hiroshima that manufactures balls used by professional sports leagues around the world and in the Olympics, has stepped up efforts to help achieve the U.N. sustainable development goals (SDGs). In its most recent project, the company began selling My Football Kit, a soccer ball you assemble yourself, in January. The product is aimed at helping solve the social problem of educational inequality and the issue of waste from discarded balls. "This is an age when people and money are attracted to what they expect companies can do in the future, rather than their market shares or the size of their sales," Molten President and Chief Executive Officer Kiyo Tamiaki said. "It's important for (a company) to continue to think of the value it can create for its society."

Molten was established in 1958. It has since grown into a global brand of sports balls that are chosen by a wide range of people. In addition to sporting goods, it operates in four other business areas: auto components; medical and welfare equipment, which handles such products as wheelchairs and mattresses that prevent bedsores; marine products; and infrastruc-



Kiyo Tamiaki and Minako Suematsu discussing the U.N. sustainable development goals before the ESG Talk HIROMICHI MATONO

ture, which handles hydrophilic and industrial products, including anti-tremor rubber bridge bearings. The company, which now has nearly 4,000 employees globally, has expanded its business scope by using the air pressure-controlling technology developed in its founding business of ball manufacture, as well as its polymer chemistry knowledge and technologies developed through the research and development of materials such as rubber and plastics for auto parts.

The start: Getting balls to kids

The idea for My Football Kit grew from a wish of an employee who grew up playing soccer: to create opportunities for children to grow through sports. "The philosophy of the SDGs is not to leave anyone behind," Tamiaki said. "There are children whom no one gives a ball to. There are parents who cannot buy balls for their children. So we said, all right, then, we're going to make balls and send them to these people." A development team worked on the idea, enlisting assistance from experts on design in and outside of the company and from education professionals. The company completed the product by bringing together its technology and know-how as a manufacturer.

In developing the kit, Molten had two of the 17 SDGs in mind. The first is "quality education." Borrowing from Japan's traditional bamboo balls, the kit is assembled from a total of 54 parts in three types. Tamiaki said the experience of assembling the ball can help children develop a sense for three-dimensional objects and learn the joy of achieving something.

The second is "responsible consumption and production." The initial reason for adopting the assemblable design was because air pumps to inflate balls are not readily available in many of the target developing markets. But because this ball does not need to be pressurized, it makes air pumps obsolete. It can also reduce the



Kiyo Tamiaki joined Molten Corp. in 2006 after a stint at Yazaki North America Inc. He worked in international sales, management planning and public relations as director and executive officer before taking up the current position in 2010. HIROMICHI MATONO

number of balls that are discarded after being punctured. A damaged My Football Kit can be repaired by replacing the broken piece. To help conserve the environment, 40% of the parts are made from recycled polypropylene. In the future, Molten plans to develop a product that uses biodegradable plastics.

One product, many ideas

What is notable about this endeavor is that "a single product has had an impact on our existing businesses, and created an opportunity for employees to think more about the environmental issues," according to Tamiaki. "There has been a proposal to stop using plastic wrapping for our

products in order to reduce the amount of waste from single-use plastic materials," he said. Molten now has a plan to contribute to creating jobs in a developing country by building a plant manufacturing the kit there.

Molten does not sell My Football Kit in the general market. Instead, it provides the kits to groups and companies supporting the cause so that they can send them to children. The company also provides a service of supporting the activities of such groups and companies and reporting on outcomes of their endeavors, using its human resources and personal networks at its overseas offices. Further ahead, it aims to create a "platform for linking supporters with people and countries that need support," according to Tamiaki. "Systems to redistribute wealth will become more in demand and going forward. This is going to be the first step," he said.

In the medical and welfare equipment business, Molten entered the wheelchair market in 2019. The company took notice of the fact that eyeglasses, which were originally developed simply to correct vision, have also become established as fashion accessories. It then focused on pursuing "great design, beauty and comfort of use" for wheelchairs, giving them highly functional and superior designs. Wheelchairs are used by people with disabilities and the elderly. Improving them is in line with the brand statement of supporting fruitful lives for people and contributing to creating a society where they can live healthy and peaceful lives. The first product, named Wheeli, won in 2020 an iF Design Award, which commends superior industrial designs around the world.

Ahead of the SDG/ESG curve

Both My Football Kit and Wheeli were born out of a one-year internal research program called "strategic training," now in its seventh year. Under the program, seven to eight selected employees and



Wheeli, the wheelchair that won an iF Design Award in 2020 MOLTEN CORP

the management meet monthly for a session where employees give presentations on new business ideas and participants discuss them. At Molten, employees have discussed ideas for contributing to society through its business operations and put them into practice since even before SDGs and ESG investing — the practice of considering environment, social and corporate governance factors in investment decisions — became buzzwords.

While building its successful track record, Molten has begun to be aware of environmental issues connected to its products, the use of plastics in My Football Kit being an example, according to Tamiaki. "There are issues that need to be solved (such as educational inequality and issues related to waste disposal), and I think the important thing above all is to take the first step if you find something wrong," he said. Asked what challenges the company may take going forward, Tamiaki said, "As we are a company in Hiroshima, which faces the Seto Inland Sea, we hope to address ocean issues and focus attention on local issues as well, even as we continue to operate business globally."

The ESG Talk series are interviews with business leaders who are active proponents of ESG investing and practices in Japan.



Moving with Possibilities



IMF has a bold climate change plan, but it faces many hurdles

ESG / SDGs

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Climate change, IMF Managing Director Kristalina Georgieva has warned, is emerging as a "greater threat" than the COVID-19 pandemic, and some say it represents an "existential" threat to planet Earth and its inhabitants. Worse, it could be a process of slow death rather than sudden annihilation.

The dimensions of this dystopian future emerged during a recent high-level panel discussion organized by the Foreign Correspondents Club of Japan. But there was also a message of hope — there is still time to avoid calamity with determined and concerted actions by governments and the private sector.

As Florence Jaumotte, a deputy division chief in the IMF's Research Department, noted during the FCCJ event, "The window for limiting temperature increase to safe levels (1.5 to 2 degrees Celsius) is closing rapidly." Currently they are on course to rise 3 degrees by 2050 and 6 degrees by 2100.

This could trigger "catastrophic outcomes" in which climate change reaches a tipping point, unleashing "abrupt changes and devastating damage," she said. Temperatures have already risen 1 degree from pre-industrial levels, and projected increases this century could cause severe economic problems.

Jaumotte described in graphic detail the likely consequences of an unchecked rise in temperatures. Climate change, she noted, poses a "fundamental risk to economic and financial stability," while the health and social implications are, if anything, even more scary.

They include an "increase in infectious diseases due to rising temperatures" — not something to be taken lightly in the midst of the COVID-19 pandemic — and "rising migration pressures" as competition for land and resources rises, leading to social frictions and maybe even wars.

Aggravating these tensions will be "declining productivity," especially in agriculture and fisheries, accompanied by "disruption of economic activity and supply chains," destruction of physical capital such as infrastructure and the need to divert resources into adaptation and reconstruction.

How to pull back from brink

Jaumotte is far from being simply a doom-sayer, however. In a detailed presentation she laid out a scenario under which it is still possible for the world to pull back from the brink of calamity — a possible but by no means assured outcome that would demand effort and determination.

The IMF plan combines carrot-and-stick incentives to limit carbon dioxide (CO2) emissions and thus limit the rise in Earth's temperatures to "manageable" levels. It involves carbon pricing and carbon taxing, a carbon emissions trading market and what Jaumotte called "green supply policies."

"The argument we make is that, combined with carbon taxation policies, green supply policies can contribute to a substantial decline in emissions without a major hit to economic activity," she said. But absent such policies, global output could plunge by 35% by the end of the century.

"Most of the work," Jaumotte explained, "is done by the carbon tax" — a levy applied to fossil fuels based on how much carbon dioxide they release when burned. Coal, for example, releases more carbon pollution than natural gas to produce the same amount of energy.

As the problem of climate change and global warming is global rather than local, carbon emitters can reduce their tax liability by buying carbon credits from others who have reduced their own carbon "footprint" by investing in carbon reduction in one part of the world or another. Green supply policies, in which governments use fiscal resources to subsidize investment in low-carbon energy projects — such as low-carbon infrastructure or carbon-neutral renewable sources like sunlight, wind, rain, tides, waves and geothermal heat — are other key elements of the IMF package.

"Such a comprehensive package actually boosts output and employment in the initial years, supporting recovery from the pandemic," Jaumotte said. "And thereafter the costs of the transition are relatively moderate."

Global coordination needed

All this raises the question of who will coordinate the many connected actions that the fight against climate change demands. Individual nations, notably the U.S. under President Joe Biden along with the EU, Japan and



Frank Belitz



Sonja Gibbs



Florence Jaumotte



Moderator Anthony Rowley

China, have announced national emissions targets, but these need to be coordinated.

The Group of 20 advanced and emerging economies, plus the IMF, are seeking to coordinate the efforts of multiple states and bodies, including the 196 parties to the Paris accord on climate change, noted Sonja Gibbs, head of sustainable finance at the Institute of International Finance in Washington.

IMF involvement is critical. Climate change is a key element of the U.N.'s sustainable development goals, and the private sector is envisaged as supplying half of the goals' annual \$5 trillion cost between now and 2030. Yet the overall funding of the goals is still "off track," according to Gibbs.

Apart from trillions of dollars in new public and private-sector investment in low-carbon projects, further trillions will be needed to write off high carbon-emitting "stranded assets," according to a Bank of England estimate. It is "not just a matter of turning off the lights on such huge capital investment," Gibbs observed, and it is going to be costly.

Asia could be very hard hit in this regard, noted Woochong Um, director general of the Asian Development Bank's Sustainable Development and Climate Change Department, during the FCCJ event. Asia is among the world's highest carbon-emitting nations, and the cost of dealing with this will be commensurately high.

This section highlights the environment and a sustainable society. For more information on ESG and SDG issues, see www.sustainable.japantimes.com/seg



Satoyama ~ Authentic Japan

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Food can be an effective tool for regional promotion. Every region has its own unique food — a delicacy that can only be enjoyed in a particular area and season, or a way of cooking that has an interesting historical background.

Two key people whose activities have led to re-evaluation of such traditional local foods and spreading the word about them were invited to the 15th Satoyama Cafe on Feb. 1 to talk about some of their ongoing efforts and how important it is to have an objective, outsider's view in order to find treasures in a region. Satoyama Cafe is a series of talk events organized by the Japan Times Satoyama Consortium. "Satoyama" refers to rural areas where the balance of nature and civilization is maintained through the sustainable use of existing resources.

The project designer, the chef

One of the speakers was Hima Furuta, a project designer and the founder of Umari Inc., a company based in Tokyo's Minato Ward. One of his major projects is the Morning University of Marunouchi, a citizens' college that has attracted more than 20,000 students since its launch in 2009. Much of his other work involves food and regions, such as operating restaurant buses and launching restaurants and hotels that feature local characteristics.

The other speaker was Keisuke Matsushima, a chef and business manager who



Hima Furuta

has run restaurants both in France and Japan. Matsushima, 43 years old, left for France when he was 20 to learn French cooking. Instead of coming back to Japan to open a restaurant after a period of training, the usual path for most Japanese chefs who apprentice abroad, he stayed in France and launched his first restaurant there. He aimed to be accepted by French customers and win a Michelin star — which he achieved at the age of 28, making him the youngest foreign chef to win a star.

"When I was 20, I was traveling around the world, joining interesting events like the Paris-Dakar Rally," Furuta said. Although the outbreak of the COVID-19 pandemic has affected human mobility, Furuta stressed that people can be anywhere and still be connected to the world thanks to modern technologies. "Whatever the situation is, there are people who are doing something interesting even at this very moment. There is no reason why you cannot be one of them," said Furuta, encouraging today's youth.

The two energetic talents have been collaborating with each other to organize the Harajuku Food Summit since five years ago. This year, the annual event was held online in January. It offered opportunities for experts from diverse food-related fields and from various locations to exchange and combine their knowledge and ideas.

Preserving preserved food

Preserved food is one of the major themes that the summit has focused on over the years. Matsushima said preserved food is at the center of any region's culinary culture. "You make preserved food because you love where you live and you want to continue living there," he explained.



Keisuke Matsushima

Udon, wheat noodles that originally were a dish local to Kagawa Prefecture, can be dried and preserved. Using udon as the main concept, Furuta launched the lodge Udon House in 2018. It offers not only accommodation but also experience in making udon plus many other programs for getting to know the Kagawa city of Mitoyo.

At first, the locals were skeptical and said there was nothing special about udon. "But in only half a year since its launch, Udon House received visitors from 25 different countries. It was also featured in articles and programs for many international media, including The Japan Times, the Guardian, Lonely Planet and CNN," Furuta said.

"We were able to find the real value in what is ordinary for the locals because we were outsiders," Furuta added.

Matsushima, who was chosen as a member of the committee to promote the traditional cooking of Nice for inclusion on the UNESCO Intangible Cultural Heritage list, agreed and said that people tend to overlook the true value of what is always right in front of their eyes. "Same is true about your hometown. You don't know what your hometown is like while you are still there. Japan became my homeland when I left Japan," said Matsushima, stressing the importance of looking at a region from the outside to identify and utilize its existing resources effectively.

"Sustainable Japan" features issues related to the environment and a sustainable society, and highlights ESG and satoyama activities. For more information, see www.sustainable.japantimes.com

