

sustainable japan

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Teijin cares: Group advances personal, societal health

Unraveling Japanese companies

HIROKO NAKATA
CONTRIBUTING WRITER

Though Teijin Limited long has been known primarily as a maker of synthetic fibers, its health care business centered on the pharmaceutical and home health care fields has growth potential in Japan's rapidly graying population as it continues to tap its motivation to work for the benefit of society.

Teijin's long-term corporate vision, "To be a company that supports the society of the future," applies not only to its well-known materials segment, but also to its other business pillar, health care, while emphasizing that the company addresses issues of patients, families, and communities in need of more support. And although the company currently is undergoing restructuring and reforms to improve its overall profitability, that vision won't change.

"The long-term vision leads to sustainability," Naohiko Moriyama, a senior executive officer and member of the board for Teijin, said in a recent interview, part of a monthly series featuring sustainable Japanese companies by Naonori Kimura, a partner for the firm Industrial Growth Platform Inc.

Teijin's more than 100-year-old history started when it was founded in 1918. It first grew as a manufacturer of rayon fibers and then expanded and diversified its business fields in the 1970s. Today, its businesses cover a wide range of materials, from aramid-fiber products to resins to carbon-fiber products, and its health care segment manufactures and sells pharmaceuticals and provides medical devices that patients use at home along with related services.

Moriyama stressed the significance of the health care business because it supports people and contributes to society. "Health care is a business for people. It helps them,

enriches their lives and helps them recover from illness and lead a healthy life in society," he said.

He said the health care business brings various benefits not only for other people, but also for Teijin's employees themselves. In the home health care business, the employees often get to meet patients and health care professionals and hear them saying they are happy to get the medical devices and services they really need. "Hearing one 'Thank you' simply makes you feel content. You often get energy by realizing that your work actually helps people. The more you feel you work for people, the more you are empowered, reflecting our corporate motto of 'Empowering Our People,'" Moriyama said.

The health care business has been often intertwined with the materials segment in the company's history. Teijin, which in the 1950s had already started to study materials using polymer chemistry, in the 1970s used that technology to develop an industrial oxygen-enriching membrane. Using the membrane, it manufactured a prototype domestic oxygen concentrator in 1979. In 1982, it entered the HOT (home oxygen therapy) market by providing patients with an improved oxygen concentrator, leading to its position at the top of the domestic market for such services.

Teijin now has hundreds of specialists who can take care of patients 24 hours a day, as well as over a thousand sales employees in its health care business, supporting more than 500,000 patients at home and abroad. "This is an example of how development of the materials business leads to health care business," Moriyama said.

The company's oxygen concentrators, combined with HOT services, have met the demand, improving patients' quality of life and chances of survival. When Teijin entered the HOT market, the potential was large because there was demand for home oxygen concentrators from pulmonary tuberculosis patients who had been hospitalized for years. HOT enabled such patients



Naohiko Moriyama HIROMICHI MATONO

to take care of themselves at home. Demand for these services grew as the number of patients with breathing problems — technically called, chronic obstructive pulmonary disease — increased as the population aged, Moriyama explained.

The market was also supported by the start of medical insurance reimbursement for HOT in 1985 and by the company's efforts to operate a nationwide direct sales system — not basically through agents — so that sales staffers could hear as many patients' voices as possible. In 1991, Teijin developed a monitoring system connected to oxygen concentrators installed at patients' homes, enabling sales offices to check on the devices' operating conditions.

The company later introduced retaining because readers are familiar with "CPAP" device for sleep-disordered breathing, which

became another market-leading device in Japan.

But working for people and society does not always contribute to high profitability. Also, the business model for services such as HOT is vulnerable to rising labor costs amid labor shortages. Teijin said it made its best possible efforts to reduce the prices of its devices and enriching its services. The introduction of the remote monitoring system for the home medical devices at the early stage of the business is another example of its efforts, it said.

Teijin reported that its operating profit for the fiscal year that ended in March slid to ¥12.9 billion, down 70.9% from a year earlier, although sales grew 10.0% to ¥1.02 trillion. The company said the reasons included a ¥20.4 billion operating deficit in the materials segment due to labor shortages, plus

troubles in American and European production plants and a slowdown in the Chinese economy. Sales in the health care business also declined as the replacement of its major pharmaceutical products with generic alternatives moved faster than expected.

Looking at the results, Teijin announced a set of profitability improvement plans that include aiming to improve the operating income of its aramid and composites businesses in the materials segment by ¥30 billion (\$200 million) this fiscal year. The company said it was considering the possibility of withdrawing from unprofitable businesses when certain positive changes laid out in the plans are not recognized. The plans also aim to reduce fixed costs in the business by ¥5 billion by fiscal year 2025, and utilize its platforms, such as strong relationships with health care professionals and patients, capabilities in patients' support, including call centers and home-visit nursing care, that the company has cultivated to expand to new devices and services plus license pharmaceuticals for rare and intractable diseases.

Moriyama, referring to its vision to work on things significant to society even if short-term profitability is not necessarily high, admitted that businesses focusing on solving societal issues often faced criticism inside the company. "But I believe that we should keep addressing issues facing society as a whole and forming close connections with the people involved as our corporate DNA," he said.

Part of the reason for conducting such a sustainability-oriented enterprise is that it is educational for employees. It also develops long-term relationships with doctors, hospitals and other elements of society.

"Of course, business management based on return on invested capital is important. But I also emphasize what we do for patients and believe it will enhance the corporate value of ourselves in long-term vision when society finds value in it," Moriyama said.

NAONORI KIMURA
INDUSTRIAL GROWTH PLATFORM INC.
(IGPI) PARTNER



The Teijin group aims "to be a company that supports the society of the future" and develops businesses that provide for the future in various

areas of health care with its vision for patients.

Especially with its home oxygen treatments, Teijin has contributed to improving the quality of life and survival rates of patients as a leader in the industry since it started to sell the first such equipment in Japan in 1982. Although home oxygen treatments are becoming common today, I understand that Teijin in the beginning had a number of problems with launching the business due to various regulations and customs. But the group has tenaciously created innovation for patients by working together as one.

Oxygen treatments involve more than just providing equipment. The business is a comprehensive service supported by many workers who care for patients on site. If Teijin focused only on profits, it probably could find other ways of doing this. But as Naohiko Moriyama emphasized, "It would have generated profits, but not a feeling that your job is worthwhile." Teijin has established a sustainable business model that includes patients, society and employees.

Japan still has a number of issues to solve in the area of health care, but I believe the group will continue to create plenty of businesses and services for people in the future.

6 Six Popular French restaurant on small Okinawa isle



TAKEO TERAO
CONTRIBUTING WRITER

Situated in the island of Kouri, the French restaurant 6 Six (pronounced "shisu," like in French), is part of the village of Nakijin in the north of the island of Okinawa. Along with its cuisine, its location has made it a hot topic among gourmets throughout Japan.

Owner-chef Hiroyuki Kosugi moved to the area, his wife's home region, in 2018 after closing the doors of his restaurant in Nagoya, where reservations had filled up as much as eight months in advance, to launch 6 Six, which affords an ocean view from every seat.

After spending the first two years in the red, the COVID-19 pandemic changed his situation completely. More and more Japanese, unable to travel overseas, went to Okinawa instead. Many opted to eat at 6 Six — and the restaurant gained a reputation through social media.

"I am for cuisine that won't be outdone by the ocean view," he said. "With everything I make, I start with a sort of fantasy vision — what if there were a dish like this? — and then bring it to life."

At first glance it may look eccentric, but, as Kosugi explained, he has a reason: "What's there before my eyes is the sea, so even a porcupinefish can become a 'bowl.'"



Address
6 Six
499-1, Kori, Kunigami-gun, Nakijin-son, Okinawa.
<https://six-kouri.com>

of fish he wanted.

"Five years after moving here, I'm still an outsider," he said. "But there's no point in running a restaurant here unless I have good relations with the local people." Incorporating local foods like *jimami* tofu and *mazuku* into French cuisine, Kosugi is working toward a synthesis with Okinawa.

DENNY TAMAKI
GOVERNOR OF OKINAWA



I am honored that the restaurant 6 Six has been selected as part of the list for Destination Restaurant 2023.

The scenery of the island of Kouri, embraced by the clear sea and blue skies, is an important treasure of Okinawa Prefecture, and the dishes prepared by chef Hiroyuki Kosugi using local ingredients in this environment will allow you to feel the climate and beauty of Okinawa.

I sincerely hope that this award will encourage many people to visit the island of Kouri and the rest of Okinawa Prefecture.

HIRONARI KUDA
MAYOR OF NAKIJIN



I am very happy to announce that the restaurant 6 Six has been selected for the Destination Restaurant 2023 list.

Nakijin is home to the Nakijin Castle Ruins, a U.N. World Heritage Site, and the island has a colorful natural environment of green forests, blue ocean and white sandy beaches.

I hope people can come and enjoy chef Hiroyuki Kosugi's spectacular cuisine, which is said to be as good as the locally grown ingredients nurtured in nature and the colorful scenery.

Organization strives to empower women in society, the workplace

ESG/SDGs

MAIKO MURAOKA
CONTRIBUTING WRITER

The Japanese Women's Leadership Initiative is based in Boston and aims to empower women in Japan to play leadership roles in bringing positive and innovative changes in society. It has provided executive leadership programs to more than 160 aspiring women NPO executives and social entrepreneurs for nearly 20 years.

"Even two decades ago, there were women who were striving to make changes in the society, but they were like small dots scattered across the country. Through our effort to empower and connect them, the dots gradually became lines and now that we have so many lines, they are forming a big waving surface that creates movements," said Atsuko Fish, who has represented the JWLI since founding it in 2003, in a recent interview with The Japan Times.

In July, Fish became the chairperson of the JWLI and authorized Kozue Sawame, a former program director, to represent it. After finishing her undergraduate studies at Hosei University and master's programs in the United States, Sawame worked for a non-profit that focused on supporting domestic violence survivors in Boston, where she met Fish, who was serving as its board chair.

But it was after the Great East Japan Earthquake in 2011, several years after they had met, when they strengthened their bonds of trust through the intensive activities of the Japanese Disaster Relief Fund-Boston. The fund was launched right after the earthquake by the Fish Family Foundation, which Fish and her husband, Larry, established in 1999 to contribute to society with the spirit

of giving.

"We worked together as volunteers night and day to raise money for the disaster-hit area as quickly as possible and succeeded in raising approximately \$1 million to support the recovery in Tohoku," Sawame recalled. In 2012, she joined the Fish Family foundation, which administers JWLI programs.

One of the things Sawame found inspiring about Fish was her ability to make swift decisions and take action.

"For example, Fish told us about her idea to launch a scholarship. In four months, we had already made an announcement about the scholarship and started accepting applications, and in 12 months four students were selected to go to universities on our scholarship," Sawame said.

Behind Fish's agility is her sense of urgency in making Japanese society more "open, positive and inclusive." Japan's postwar period has seen the establishment of democracy and male-centered collective efforts aimed at accelerating economic growth.

"It was successful in getting Japan's economy back on its feet again. But there were people who were left behind in the process," she explained. "Though peace and democracy were gained, there has been the lack of effort in the protection of individual rights and realization of equality."

Then, after decades of stagnation, and the Great Recession, the coronavirus pandemic hit, making life miserable for those who were already vulnerable.

But some women leaders began to shed light on the social issues. The Fish Family Foundation, aside from its training programs, provides an opportunity to recognize such women through the Champion of Change Japan Award, established in 2017. Fish took inspiration from the Champion of Change Award founded by former U.S. President Barack Obama to recognize those who contribute to their communities. Fish was one of the winners of the award in 2013.

"There are many role models of women leaders who are making extraordinary contributions to the Japanese society," Fish said, emphasizing that this hopeful fact should be shared with the public to encourage more people to join or support the activities of such leaders and enlighten younger generations.

The seventh round of the Champion of Change Japan Award will be held in Tokyo's



Atsuko Toko Fish, chair of the Japanese Women's Leadership Initiative JWLI

Bunkyo Ward on Dec. 12. Screenings are underway to select five winners, who will attend the ceremony where the grand prize winner will be announced.

"There have been about 200 recommendations from all corners of Japan. The candidates' ages vary from early 20s to mid-70s. In terms of the lengths of their activities, those who have been continuing their activities for more than 10 years marked the highest ratio, followed by those with five to nine years of history. These two groups together comprise about 60% to 70%," Sawame said, highlighting these women's expertise, experience and commitment. The ceremony is open to the public by advance reservation.

As the second-generation representative of the JWLI, Sawame has high hopes for women leaders to promote their activities, taking advantage of the adversity posed by Japan's low 125th-place showing in the World Economic Forum's 146-country gender equality rankings this year — the worst result ever.

"I am confident that they will transfer crisis into opportunity," she said. What drives the new leader is the privilege of witnessing someone's growth. "It is truly rewarding to see women leaders transform and foster collaborations that drive meaningful social change," Sawame said.

This section, "Sustainable Japan," features issues related to the environment and a sustainable society while highlighting the satoyama activities of companies and other organizations. For more information, see <https://sustainable.japantimes.com>



Destination Restaurants 2023 AUTHENTIC JAPAN SELECTION

