

# sustainable japan

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## Realizing a sustainable future via 'digital commons'

### Unraveling Japanese companies

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Building a brand from scratch is never easy — but Biproggy tackled the task when it changed its name from Nihon Unisys in 2022.

The Japanese information technology service provider decided on the switch primarily because its main business had been largely transformed over the years. When it was launched in 1958, it mostly sold mainframe computers as the sole agent in Japan of the U.S. computer firm Unisys, one of its former major shareholders. It was the first company to introduce commercial computers to Japan.

Although the U.S. firm sold its stake in 2006, Nihon Unisys purchased the right to continue using the trademark to sell computers in Japan, and also provided its own system network services amid a global decline in mainframes.

"The pandemic was another factor that motivated us to change our company name," President and CEO Noboru Saito said in a recent interview, part of a monthly series by Naonori Kimura, a partner for the consulting firm Industrial Growth Platform Inc.

### Post-COVID landscape, name

Saito said COVID changed the business landscape. Companies in general used to prioritize profits for the sake of shareholders, but the pandemic made them more inclined to look for ways to contribute to society for future generations. "We decided to change the corporate name to show our strong willingness to our workers and the world that we would change ourselves further," he said. They also formulated a corporate purpose and vision, setting their thoughts down in words.

Biproggy says its name derives from the first letters of "the seven colors visible when light is refracted": blue, indigo, purple, red, orange, green and yellow. The company wanted its name to reflect the diversity of its people and their desire to "mix the colors of light" of various people together for a brighter future. But changing its name and logo was not an easy process. Some workers who opposed the idea said that throwing away the familiar name would mean dumping a brand built up over decades.

By that time, Biproggy's business had already proved its own strength. In 2007, it established the first banking system based on Microsoft Windows' open architecture for Hyakugo Bank, a regional bank headquartered in Mie Prefecture. This was the point at which the company achieved



Biproggy President and CEO Noboru Saito (right) and Director Taeko Sawakami HIROMICHI MATONO

something considered extremely difficult because the task also required various third-party systems for things like databases, security and online networks. "Since then, we have worked on establishing open-source systems for nearly two decades," Saito said. "We are very confident of developing open architecture by gathering the best systems for our customers, evaluating them and providing them as a package."

### Developing a digital commons

In creating its corporate vision and purpose, Saito said, "We needed something like a lighthouse." Although the company had an advantage in developing services through leveraging open-source software and adapting them to best suit each customer, it needed a vision to inspire and motivate its staff, he said.

They formulated "Vision 2030," saying,

"We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily." They also set its corporate purpose: "Create a sustainable society using foresight and insight to unlock the full potential of technology."

A digital commons is an open platform that supports collaboration among companies, organizations and individuals and shares their assets, in order to better address issues and raise economic value. The vision was formulated after the company spent a year conducting hearings throughout the staff. "The task was to share our view and textualize it," said Taeko Sawakami, a director of Biproggy, in the same interview.

"When we have to address social issues," Saito said, "the right thing to do is not for one company to beat others or work for its benefit alone. Various companies need to utilize their assets with each other, including dormant ones. That's the original concept."

### Reducing waste through AI

One example of its services being used to solve social issues is in reducing waste. In 2020, Biproggy launched AI-Order Foresight, a cloud-based service for automating orders using artificial intelligence forecasts. It was adopted by the Japanese supermarket chain Life and other retailers so they could automate a complex, burdensome task and correctly predict what they needed to order, and no more, so as to avoid food loss.

In order to spark innovation, the company urges young people to try new things. Also, it focuses on open innovation by working with startups. It holds a morning meeting every month for young workers where startups can make pitches, internal groups can present ideas on new ventures and others can share their projects' progress and problems. Although the original face-to-face meeting starting at 8 a.m. was not very popular despite offering doughnuts and coffee, the online version that kicked off during the pandemic attracts as many as 800 workers. "That is how we have nurtured our culture," Saito said.

"It is very important that Biproggy has arranged things so that workers can really feel that they are growing," the president said, adding that human capital is their top asset. Sawakami echoed that, saying that what is significant is not people's titles or departments but the roles they are responsible for. "The content of the roles is more important for their future career than the job titles in an organization," she said.

Saito said he is determined to use responsible corporate values to raise his company's monetary value further: "In order to solve social issues, we need to become a company that holds values — otherwise, we won't be able to attract businesses and people around us."

**NAONORI KIMURA**  
INDUSTRIAL GROWTH PLATFORM INC. (IGPI) PARTNER



After learning more about Biproggy, I was very impressed at how the company redefined the reason for its existence and continues to express this both internally and externally through important decisions such as its name change and the formulation of "Vision 2030."

The company's grand view based on a digital commons aims to solve social issues by bringing together the wisdom of various people. I believe this is not a mere ideal. Biproggy has developed the strength of providing the best open-source services for its customers as well as a culture of defining and evaluating success from a broad perspective. Emphasizing the creation of social value by allying with stakeholders is firmly rooted in the company.

In the world of digital commons, it is extremely important to develop human resources properly because it is essential for workers to motivate themselves by searching for issues and involving various players around them. It is significant that the company has also improved staff motivation in a series of reforms based on people's so-called "roles," the central concept in its human-resource development strategy.

In the world of digital business, which tends to be winner-take-all, the focus will be how to form a digital commons and grow as a company at the same time. I am cheering for Biproggy as it takes on this challenge.



## Sustainable Japan Award — 2024 results

In June 2021, The Japan Times merged its previously launched ESG Consortium and Satoyama Consortium into the Sustainable Japan Network. Its purpose is to support individuals, companies and organizations that have been working toward a sustainable society. Once a year, The Japan Times holds the Sustainable Japan Award, with both a satoyama section and an ESG section, to recognize and celebrate those who have made significant contributions. Here are this year's awardees.



### Grand Prize winner, ESG section

**SUMITOMO MITSUI TRUST HOLDINGS INC.**

Sumitomo Mitsui Trust Holdings contributes to the realization of carbon neutrality and the construction of strong supply chains. The company has built long-term trust with its customers through its active engagement with their investees. It has the ability to flexibly develop and transform its business models, staying ahead of changes in the business environment.

This can be seen as a source of its sustainable management. Sumitomo Mitsui Trust Holdings is actively engaged in environ-

mentally and socially conscious sustainable finance, such as positive impact finance and impact equity investment. In addition, due to the aging and decline in the population of forestry workers, it has introduced Forest Trust, a business in which forest owners entrust forests to Sumitomo Mitsui Trust Group to contribute to a green and sustainable society.

Moreover, as one of its policies for improving well-being in the workplace, the company actively invests in human capital development. Sumitomo Mitsui Trust has formulated strategies based on "paving the

way for the next 100 years with the power of trust" as the core of its blueprint for ideal management into the future. The strategies include taking a "backcasting" approach by outlining where it wants to be in 2030, selling all its cross-shareholdings and setting numerical targets like a 10% return on equity. Furthermore, it has set up a sustainability committee to advise management on the creation of both social and economic value.



### Grand Prize winners, satoyama section

**IWAMI GINZAN GUNGENDO GROUP CO. LTD.**  
**NAKAMURA BRACE CO. LTD.**

This year, two companies were awarded the Grand Prize in the satoyama section. Iwami Ginzan Gungendo Group and Nakamura Brace Co. Ltd., which both were founded in the Omoricho area of Oda around the Iwami Ginzan silver mine, recognized as a UNESCO World Heritage site in 2007, have worked to achieve a sustainable local economy while maintaining Omoricho's population of approximately

400 people.

Nakamura Brace Co. Ltd. established a prosthetic device factory in 1974, and the Iwami Ginzan Gungendo Group has been making textiles and household goods since 1989, promoting manufacturing rooted in the community and the Japanese textile industry's rich history and technology. Both were founded by couples with husbands from Omoricho.

Together, Nakamura Brace and Iwami Ginzan Gungendo continue to build on a history of working and raising children locally and passing on activities through

generations, like the restoration of old homes and the operation of support facilities for the community, preparing for the future while also attracting the youth of today.



### ESG: Excellence Award winner

**WOTA CORP.**

Wota is developing a system that converts wastewater into water for daily use. In contrast to systems in which water is drawn from natural sources and then domestic wastewater is treated and discharged into rivers and the sea, the Wota system is a recycling-oriented model that considers wastewater as its standard water source, purifying it into drinkable water on the spot. The company's proprietary technology, centered on autonomous control of water treatment,

enables constant monitoring and management of water quality remotely. Even when municipal water and sewage services are shut down due to a disaster, the system lets water continue to be used as usual.

In the wake of the Noto Peninsula earthquake, Wota provided its systems free of charge along with support for their operation. Approximately 100 showers and 200 Wash hand-washing stations were deployed throughout the peninsula, covering 84% of the evacuation centers.



### ESG: Excellence Award winner

**OJI HOLDINGS CORP.**

Oji Holdings Corp. recycles in three ways. The first one is the recycling of forests: practicing sustainable forest management by growing trees, harvesting them and planting them again. Second is the recycling of water: reducing water consumption and purifying wastewater by circulating and reusing water in industrial processes. Third is the recycling of paper: collecting paper products and recycling them.

In its vast forests at home and abroad,

Oji grows and manages vast forests both at home and abroad. By doing so, it not only helps mitigate global warming by absorbing and fixing carbon dioxide, it also conserves biodiversity by protecting the environment. Oji also conducts other activities that benefit local environments and economies by supporting biodiversity programs in conservation forests as well as local employment and education through allying with local governments, nongovernmental organizations and citizens groups.



### ESG: Special Award winner

**FAMIEE**

Famiee has been working toward a society that recognizes diverse family forms, including not only same-sex couples and de facto married couples, but also single mothers living together and helping each other, while also supporting legal reforms toward same-sex marriage and a selective surname system.

In February 2021, Famiee began issuing "partnership certificates" for same-sex partners using blockchain technology.

Since then, it has worked to create a network of companies and local governments that provide services for families based on these certificates. Currently, more than 90 companies and organizations, including medical facilities and insurance agencies, have accepted and adopted the system. Famiee is working toward the issuance of new certificates with the aim of realizing a society in which diverse family forms are commonly recognized.



### Satoyama: Excellence Award winner

**MAEBASHI DESIGN COMMISSION**

The Maebashi Design Commission has been designated by the city of Maebashi as an incorporated association for realizing a private-sector-driven development plan called Maebashi Urban Design. The role of the MDC is, first, to create a place to share the vision, and then to work on fundraising, study sessions on things like marketing methods, and fostering people who are willing to be involved in the city's development. For its Babakawa Street revitalization proj-

ect, the company has introduced a social impact bond and a results-linked private-sector outsourcing system, and utilizes a variety of other mechanisms. In addition to the government budget, MDC has received donations from an organization formed by local business volunteers and has taken on the role of project management, from coordinating with design and construction companies to disseminating the vision and concept to the community.



### Satoyama: Excellence Award winner

**MURASAKINO WAKUDEN**

Murasakino Wakuden was founded in 1870 as a ryokan inn in Kyotango, facing the Sea of Japan. Due to the decline of the textile industry in the area, Wakuden relocated to Kyoto and opened a ryotei restaurant. In 2007, with a strong desire to give back to Kyotango, its CEO started a campaign to restore a forest on the site of a dilapidated industrial park. In 2017, the industrial park was turned back into a forest, Wakuden no Mori, that was opened to the public. The vegetation's strong roots

prevent erosion and landslides, and so also have a positive impact on the sea nearby. In addition, architect Tadao Ando strongly sympathized with the ideas of Wakuden, and built the first museum made of wood instead of his usual concrete. He also revived the Isehikari rice strain, which was thought to be extinct, by planting and harvesting rice with people from other areas. In addition, a one-story food workshop and restaurant were built in the forest, creating local employment.



### Satoyama: Special Award winner

**G-NET (NONPROFIT ORGANIZATION)**

G-net, an organization launched in 2001 to "energize the city of Gifu," has been connecting local small and medium-size businesses with young people for over 20 years by developing business ideas such as practical internships, graduate recruitment support specializing in small and medium-size companies, and project-based matching support for side jobs and dual employment.

In 2020, during the COVID pandemic,

G-net launched the online Tsunagaru Campus to support youths nationwide in meeting, learning and taking on challenges, and in 2022, it launched the recruiting platform Tokai Hitoshigoto Zukan.

Connecting local enterprises and young people, the company aims to nurture young people and revitalize local industries to create communities.

