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Cainz enriches lives and communities through DIY

Unraveling Japanese companies

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The keyword of Cainz Corp.'s business strategy is "DIY," not only because it is a leading do-it-yourself retailer but also because the expression encapsulates its brand concept and management philosophy.

"It is too limiting to interpret DIY as just putting around the house. We think it also means doing things more proactively to enjoy our lives and spending time more pleasantly by exploring outdoors or cooking new dishes, for example," Hiromasa Tsuchiya, the owner and chairman of Cainz, said in a recent interview, part of a monthly series by Naonori Kimura, a partner for the consulting firm Industrial Growth Platform Inc. Tsuchiya said Cainz takes a "broader interpretation of DIY" and aims for "DIY in our daily lives."

Cainz's progressive management style has been a key driving force in the company reaching the top of the home improvement store business. As of February 2024, the end of its last business year, sales stood at ¥542.3 billion (\$3.48 billion).

Cainz has evolved in its long history. It originated from Iseya, a fabric store founded in 1958 by Tsuchiya's father in the

city of Ise, Gunma Prefecture. Iseya, which opened its first DIY store in 1978, later became Beisia Group, currently consisting of 30 companies including Cainz. The group also has a history of evolution by spinning off its unique businesses, including Cainz and the work uniform retailer Workman Corp. The overall sales of the group surpassed ¥1 trillion in 2020.

In 1989, Iseya spun off the DIY business as Cainz, and Tsuchiya became the president in 2002. Known as a reformer, Tsuchiya introduced the approach of retailing Cainz's own private brand, a model usually adopted by fast-fashion companies. This is rare among home improvement stores because it means comprehensive involvement at every step from design to manufacturing to sales.

In 2019, Tsuchiya handed over the presidency to Masayuki Takaya, who had been the president of the machine component maker and distributor Misumi Group, and proceeded to promote further reforms at Cainz. Takaya and Tsuchiya, who became the chairman and also oversees Beisia Group, declared a digital transformation for Cainz's retailing business, updating its e-commerce site and hunting for digital experts from other companies. They also took active M&A steps, including the 2022 purchase of Tokyu Hands, an urban household goods retailer, now called just Hands, from Tokyu Fudosan Holdings Corp.



Hiromasa Tsuchiya, the owner and chairman of Cainz HARUO MOTOHASHI

In 2021, Cainz stepped up its efforts to strengthen its engagement with its stores' communities under its "Kumimachi" concept, meaning "engaging firmly with towns." Cainz currently has over 240 stores in 29 prefectures, and seeks stronger ties with local governments, businesses and various local stakeholders in order to work together to create sustainable communities.

The concept is also rooted in Cainz's corporate aspiration held since its foundation that it should nurture people and enrich local areas through its business, Tsuchiya said. It covers social issues in 15 fields, including disaster management, industrial development, the environment, education, child care and regional mobility.

For example, Cainz stores also are disaster prevention and response centers. If big earthquakes, typhoons or other natural disasters strike, the stores can help resi-

dents by letting them evacuate there or provide necessities.

Additionally, they hold open markets called Kumimachi Marche for farmers' products and artisans' handcrafted goods, connecting local producers and consumers.

As for education, Cainz works with suppliers to develop educational programs at its stores so children can learn about a variety of issues including climate change and disaster prevention.

In the field of the environment, Cainz plans to achieve the goal of net-zero carbon emissions at its stores by utilizing all the energy generated by its rooftop solar panels, as well as purchasing renewable energy and carbon credits from vendors, by the end of this year. It also aims to have the stores serve as "circular stations" where consumers can bring in recyclable waste and items for a circular economy, Tsuchiya said.

People have fortunately come to pay more attention to DIY over the last few decades, he said. Unlike the United States, where the DIY concept was born and where the home improvement retailing giant Home Depot has flourished, Japanese understood DIY to mean just home repairs at the time when Cainz got started. But since then, the concept has changed drastically. Especially after the COVID-19 pandemic forced people to stay home, DIY has become trendier thanks in part to TV programs showing celebrities making furniture or renovating rooms. "Now most of our big outlets have DIY studios to teach customers how to do things," Tsuchiya said, adding that "Cainz TV" internet videos and a web magazine owned by the company also make it easier.

However, the home improvement market is growing saturated. According to the Ministry of Trade, Economy and Industry, sales have hovered between ¥3.34 trillion and ¥3.39 trillion after hitting a peak of ¥3.49 trillion in 2020, when the pandemic took off.

Over the past decades, the number of market players has gradually decreased, but some initially small local companies like Cainz have become national giants. This situation is causing fierce competition.

Whether home improvement retailers can grow further hinges on how well they can develop products for professional users, Tsuchiya said. He said another key is overseas markets.

In the longer term, Tsuchiya said, Beisia Group will continue its "hedgheg" management strategy of "sharpening the needles" of edgy companies such as Workman and Hands like a hedgheg's spines.

"There is no point in making a group with mediocre companies. It is best if we have a line of companies doing what others cannot do in their fields," he continued. "Like the way hedghegs grow spines, we want to have our group member companies be weapons for further growth."

NAONORI KIMURA
INDUSTRIAL GROWTH PLATFORM
INC. (IGPI) PARTNER



What makes Cainz is the spirit of DIY. The company introduced a private brand ahead of others and built a strong position in the home improvement retailing market. This spirit has helped Cainz gain a competitive advantage by creating the foundation of its corporate value: providing opportunities for customers to enjoy DIY activities in their lives.

That also reflects its promise to its customers, which it calls "Kurashini, la-la-la" — the "La-la-la Lifestyle." Competition in the industry has intensified due to the introduction of other retailers' house brands and the spread of e-commerce. But the company takes advantage of its strength of having real stores carrying its goods and helps its outlets create chances to come up with new ideas.

The company's further foresight is seen in its "Kumimachi" (engaging firmly with towns) plan, which extends the DIY spirit to regional development and providing solutions to problems. It is a grand plan, making each store a regional hub for industrial development and collaboration, a lifeline as a disaster prevention and response center, and part of the zero-emission and circular economy.

Cainz goes beyond the conventional boundaries of DIY stores and is evolving to become a company essential to the regions' continuation. I hope for a future in which attractive towns with Cainz outlets at their centers emerge around the country and activate society overall.



Tsuchiya said Cainz takes a broad interpretation of DIY as a way of enjoying daily life. HARUO MOTOHASHI

Yamagata's Zao Onsen Ski Resort is a classic beauty

Sustainable Japan Network

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Each year between mid-November and April, winter sports fans from around the world flock to Japan for the country's renowned powder snow. Aussie snowboarders, in particular, have made Niseko in Hokkaido and Hakuba in Nagano their winter homes, escaping the hot summers Down Under.

But over the years, these well-known ski resorts — Nagano's Nozawa Onsen is another — have become more foreign than Japanese as the towns adopted a more international vibe to cater to the influx of tourists.

One overlooked ski resort in Yamagata Prefecture, however, offers a more local experience, balancing its long history as an onsen town and sightseeing destination with some of the longest ski runs and best powder snow in Japan.

Zao Onsen Ski Resort, located in the city of Yamagata, has long been known for the photogenic "snow monsters" that inhabit its mountains in winter. Called *juyō*, these surreal, otherworldly shapes form when freezing winds from the Sea of Japan coat fir trees with layers of ice and snow. With the rise of social media, the number of tourists visiting Zao simply to take a snap of this unique landscape has surged. But what

many of these day-trippers overlook is the area's excellent skiing opportunities and the charm of its traditional onsen hospitality.

The hot springs in Zao were discovered 1,900 years ago, and during the Edo Period, the waters became famous for their therapeutic benefits, thanks to their high sulfur content and natural acidity. Today, Zao Onsen is home to around 80 *ryokan* and hotels, many of which offer a classic onsen experience, with meals served in-room and private indoor or outdoor baths. Several public onsen are also available in town, including three unmanned bathhouses — two of which are on Takayu-dori street near the bus terminal.

This pleasant *shōtengai* (shopping street) has faced hard times in recent years, with many elderly shop owners closing their businesses — a trend hastened by the lack of customers during the pandemic. Recently, however, the street has been revitalized as a new generation of shopkeepers move in, bringing fresh ideas while carefully preserving its quaint Japanese charm.

At the lower end of Takayu-dori, you will find the newly established Manju Yunoka Cafe, which serves coffee and local specialties such as *manjū* (hot spring buns), and skewers of *tama konnyaku* (balls of konjac jelly simmered in soy sauce). In the evening the cafe transforms into a *tachinomi* (standing bar) for those looking for some apres-ski refreshments. Right next door is Zao Onsen Shokudo, a new venture by a chef from Tokyo that serves Japanese-style lunch sets



Rishaku-ji Buddhist temple in the snow, with the valley and town in the background. ANDREW LEE

(*teishoku*), with plans for fine dining at night in the near future.

Further along the street, which is heated in winter to ensure it remains clear of snow, is Zao Onsen Yutabiya Takayudo, which sells a variety of onsen-themed souvenirs from around Japan, and Takayu Onsen Parlor, where you can participate in traditional onsen activities such as table tennis or pick up a soda to drink while soothing your feet in the mineral-rich footbath across the road.

At the top of Takayu-dori are stairs leading to Sukawa Onsen Shrine, which are particularly beautiful in winter as steam from the hot springs adds a soft, misty atmosphere to the snow-covered scene — and gives a slightly eggy, but not unpleasant,

aroma to the cold air.

It is this traditional onsen-town feel that sets Zao apart from other ski resorts in Japan, but the skiing and snowboarding here are also exceptional. With 32 lifts scattered across 14 slopes and 12 courses — including one that stretches 10 kilometers — Zao is one of the largest ski resorts in Japan, catering to skiers and snowboarders of all levels.

To see the *juyō*, ride the Sanrokusen and Sanchusen ropeways to the top of the mountain, or book a Nightcruiser snow tractor ride to view the illuminated trees at night. On clear days, queues for the ropeway can stretch up to two hours, so purchasing a priority ticket online is highly recom-

mended. From the top, you can either ride the lift back down or ski along the resort's longest course, which takes you up close to the snow monsters. For regular runs, the less crowded Chuo Ropeway is a great option, and the Sora Mado 1387 Cafe offers breathtaking views of Diamond Valley, along with croissants that are simply enormous.

Another advantage Zao has over more remote ski resorts is its accessibility. After taking a shinkansen to Yamagata Station, it's just a 30-minute drive to the resort, and buses are also available. This means staying at a hotel in the center of the city is a convenient option for travelers.

While in Yamagata, a day trip to the village of Yamadera is highly recommended. About a 40-minute drive from Zao, or just 16 minutes on the Senzan Line from Yamagata Station, Yamadera (meaning "mountain temple") is home to the historic Rishaku-ji Buddhist temple complex.

Visiting here in winter is magical. The mountain forest is blanketed in snow, and the temple buildings perched atop the cliffs appear to float among the frosted trees. At the entrance to the temple grounds sits the impressive Konpon Chudo Hall, the oldest cedarwood building in Japan and a designated Important Cultural Property. Built in 1356, the hall houses several Buddha statues over 1,000 years old and 600 volumes of Edo Period sutras. Rishaku-ji's head priest, Seiden Kiyohara, explains that the temple is also home to the Eternal Flame, brought from Kyoto's Enryaku-ji Temple 1,100 years ago, which has been kept burning ever since.

The grounds of Rishaku-ji once contained over 100 temple buildings, of which about 30 remain, including Okunoin Temple at the top of the 1,015 steps that wind their way up the mountain. It is said that as visitors ascend they are steadily released from their earthly desires, and it was along this path that the poet Matsuo Basho composed one of his best-known haiku: *Shizukesa ya / iwa ni shimiru / semi no koe* (Such stillness / the cicadas' cries / sink into the rocks). There is a memorial stone at the spot where Basho stopped to write the haiku.



Zao Onsen is popular among locals and tourists for its ski slopes. YAMAGATA

The icy steps can be treacherous in winter, but the one-hour climb is worth it for the stunning panorama at the top, which is like stepping into an ink painting of snow-capped temples and the wintry landscape of the valley beyond.

In the town below there are plenty of places to rest after the hike. At Endo, a restaurant and souvenir shop across the river, a cute hand-drawn map by "The Lovely Shop Ladies of Yamadera" can be picked up and is full of local insight into the town. Make sure to try the *chikara* (power) tama konnyaku at Endo. Also on the map is Taimenseki, a restaurant known for its unique Basho-yaki *dango* (sweet dumplings), and Shoseido, a famous confectionery store selling *morokoshi* sweets handmade from *adzuki* bean powder and sugar, which are then shaped using wooden molds with the word "Yamadera" on them. And Fumotoya on the main *shōtengai* serves the best cherry soft-serve ice cream — a must-try, as Yamagata is known for its *sakuranbo* cherries.

The pace of life seems slower in Yamagata. From relaxing in Zao's onsen after an enjoyable day of skiing to the tranquility of the mountain hike at Yamadera, visitors are encouraged to slow down and take it all in. For those ready to trade Japan's busy ski resorts for something more authentic, Yamagata offers a different kind of winter escape.



Basho-yaki *dango* can only be eaten at Taimenseki in Yamadera. YAMAGATA

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