

# sustainable japan

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## JCOM expands from cable to social infrastructure

### Unraveling Japanese companies

**HIROKO NAKATA**  
CONTRIBUTING WRITER

JCOM Co. Ltd. aims to transform its business by moving beyond its original cable television operations in a nearly saturated market and expanding into social infrastructure services that use its resources to help address issues in communities, businesses and local governments.

"We realized that we need to redefine our business for further growth," Kazuhiro Ohashi, the managing corporate officer and senior vice president for JCOM's corporate strategy planning unit, said in a recent interview, part of a monthly series by Naonori Kimura, a partner for the consulting firm Industrial Growth Platform Inc.

Responding to the need to create further value amid a changing environment for Japanese cable TV and internet services, which JCOM sells as a package under the J:COM brand, the company has begun expanding into a broader range of services that support everyday life, Ohashi said. "We want to provide services that our customers genuinely need in their daily lives," he said.

The strategy is backed by JCOM's latest four-year business plan until March 2028, which says the cable TV operator

will review its current business structure to maximize its growth potential and go into new fields beyond broadcasting and telecommunications.

The new mission builds on one of the company's key strengths: its sales network. Ohashi said the company's ability to communicate face to face with household customers gives it a competitive edge. The company has more than 2,700 sales staff who offer packages combining services from its lineup, including cable television, landline phone, internet Wi-Fi, mobile services, and even electricity and gas. Combined with digital subscriber data, this strength supports the company's customer marketing strategy, he said.

The lineup also includes security cameras for housing, introduced as concerns about robbery-related violent crime rose in many parts of the country in recent years. "Security camera footage from homes can help identify suspects and enhance public safety," he said.

JCOM's knowledge of sales operations and data is also evolving into a plan for an on-demand transportation system for cars and buses, which will possibly contribute to areas that are lacking good transportation options amid the rapidly decreasing and aging population.

The company already introduced the system for its own sales staff in 2021, using high-precision algorithms to enable multiple employees to travel efficiently within their assigned areas. This step led to a



**Kazuhiro Ohashi, JCOM's managing corporate officer and senior vice president** COSUFI

reduction in sales staff vehicles and fuel consumption. Moreover, the firm participated in an experimental bus project in the Osaka Prefecture city of Sakai as part of broader on-demand mobility services for communities lacking sufficient transportation options that JCOM expects to help provide in cooperation with the local government and transportation firms.

Another project that JCOM is focusing on is digital transformation for local governments, especially at schools. It provides fast, stable internet and Wi-Fi infrastructure while helping teachers and students to communicate smoothly through digital tools. The company also holds events to teach students how to use the internet and smartphones without getting involved in crime or other trouble. "In that way, we are aiming to develop our business and at the same time tackle various local issues," Ohashi said.

Its focus on communities extends to

the medical field. An application it made enables users to get medical consultations via smartphones and internet-enabled televisions.

Meanwhile, the company's cable television community media deliver local information for disaster prevention. If a typhoon, earthquake or other natural disaster hits, they are ready to broadcast local live information.

Starting as a cable television operator in 1995, JCOM has steadily developed its business for the last three decades. JCOM initially provided cable television services to remote areas where it is difficult to receive terrestrial broadcasting. Since then, it has expanded through mergers and acquisitions. After two stakeholders, the telecommunications operator KDDI Corp. and the general trading company Sumitomo Corp., started to jointly manage the company in 2013, it became the country's largest mul-

tisystem cable operator, with sales and support centers in five major commercial zones and an expanded lineup of services.

The number of households subscribing to JCOM's services reached 5.8 million as of March, out of the national total of 61.3 million. Its net profits stood at ¥71.8 billion (\$450 million) for the business year that ended in March 2025, up about 6.8% from four years earlier.

Although cable television demand grows moderately every year, it is widely seen as nearing saturation despite the company's efforts to enhance its television content. JCOM has increased the lineup of entertainment programs by making tie-ups with subscription-based services, such as Netflix in 2019, followed by Disney+ in 2022 and the Discovery Channel in 2023.

While the company is expanding into wider fields, it is also reinforcing its existing communication services by laying high-speed lines called Fiber to the Home. FTTH offers stabler connections than the previous network, which combined optical fiber with preexisting coaxial cable, and at the same time uses less power and thus emits a smaller amount of carbon dioxide.

"By changing the total network, we are trying to reduce the total power consumption for the environment," Ohashi said. By the end of this business year next March, most of the areas the company covers will have FTTH, he added.

In addition, the company recycles over 99% of the cables and other equipment collected from former customers, contributing to lower carbon emissions and a better environment, he added.

Looking ahead, Ohashi envisions the company becoming better equipped to address social issues in aging communities. One initiative is to further develop on-demand transportation for communities beyond the current experimental stage, so that older people without adequate transportation can travel to hospitals or go shopping when needed. Another goal is to further advance digital transformation in education.

"I hope this company will provide solutions for their problems and contribute to regions' sustainable growth at the same time," he said.

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



JCOM is seeking to move beyond its traditional business domains and evolve into a company that is more deeply involved in customers' daily lives and in addressing local community challenges. As the markets mature, the company is redefining its business around two core concepts — "the joy of everyday living" and "the richness of local communities" — by integrating entertainment, telecommunications, local information, and the business-to-business and business-to-government sectors.

The source of its competitive advantage lies not merely in technology or infrastructure, but in its customer touch points rooted in local communities. JCOM aims to identify issues in customers' daily lives and expand into services that contribute to local safety, security and convenience, such as digital transformation in schools, disaster prevention and public safety, and on-demand transportation. These efforts represent an expansion of the company's role as a local infrastructure provider at a time when the shrinking and aging of the population is increasingly affecting urban areas as well.

JCOM is also working to reduce its environmental impact through its business structure itself, including lower power consumption through the shift to FTTH, equipment reuse and greater efficiency in sales activities. Although it is not a listed company, its commitment to promoting sustainability management at a level comparable to that of publicly listed companies is particularly noteworthy. JCOM's efforts point to a direction in which community-based companies evolve into social infrastructure providers that enhance the quality of everyday life.



**Ohashi discusses JCOM's transformation into a broader provider of community and social infrastructure services with interviewer Naonori Kimura.** COSUFI

## Yamanashi inn Esoto offers supreme sake and views

### ESG/SDGs

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In the quiet neighborhood of Hakushu, in the Yamanashi Prefecture city of Hokuto, surrounded by mountains, rivers and rice fields, stands Esoto, a premium lodging facility in a traditional-style building constructed around 120 years ago. The inn, which opened on June 1, only accepts one group per night, offering guests a relaxing and refreshing time as well as a rich gastronomic experience.

The inn is owned and operated by Yamanashi Meijo, a sake brewery that is known for its Shichiken brand and was founded in this area in 1750. The building, made of wood and plaster and roofed with tiles, used to be the residence of one of the branch families of the family that has been running the brewery.

This area is located in the northern part of the prefecture, at an elevation of nearly 600 meters, close to mountains such as Hinata, Amagoidake and Kaikomogatake. Tsushima Kitahara, the 13th-generation president of the brewery, explained that the Shichiken brewery uses water that has been filtered and purified over decades after rain and snowfall on Mount Kaikomogatake seeped deep into granite layers in the ground.

Yamanashi ranks among the top prefectures in Japan for annual hours of sunshine and the percentage of sunny days.

Thanks to the mild climate, significant temperature differences between day and night, and the plentiful water flowing from the mountains, agriculture also thrives in this area.

Kitahara noted that the district along the old Koshu-kaido road where Esoto and the brewery are located used to be an important traffic hub. "Records show that there were 15 lodging facilities around here during the Edo Period, but none of them remain," he said. As larger roads and railways were built in the modern era, the bustle of the old road gradually faded away. Compared to nearby resorts with better connections to public transportation, this area does not attract many tourists. However, this also means that visitors can fully immerse themselves in the unspoiled scenery and enjoy the town's nostalgic atmosphere.

The Shichiken brewery has been at the heart of the community for almost 280 years and a constant witness to this



**Esoto's 120-year-old building once belonged to relatives of the family that runs the Yamanashi Meijo sake brewery.** SHUHEI TONAMI

region. In 1880, Emperor Meiji stayed in the main building of the brewery owner's residence while touring Yamanashi, Mie and Kyoto.

In the days when the emperor was still referred to as a living god, the townspeople were thrilled to have him visit the town, accompanied by hundreds of attendants. Kitahara explained that, to ensure the emperor's safety, the exact time of his arrival was not disclosed in advance. "It is said that the women of the town waited in the streets from early morning, and that their face powder ran down their faces with sweat, leaving white streaks on the street," he said. The rooms and the gardens used by the emperor have been preserved almost exactly as they were.

The brewery also operated as a bank in the past. One of the rooms that was used as a bank teller's counter back then has also been preserved and is now on display. "The iron bars that separated customers from bank workers were removed and collected during the war for use in producing weapons," Kitahara noted. The rough cut marks left at the roots of the iron bars are still visible today.

With its long history and tradition, not

to mention the various awards it has won over the years — including IWC Champion Sake 2025 — the brewery takes pride in being a symbol of the region. However, Kitahara also feels responsible for the community's future. "We believe that our achievements, including Esoto's success, contribute to the area's prosperity," he said.

This is why he deeply contemplated the significance of running an inn connected to a sake brewery that is part of the local community. His answer was to pursue authenticity. The rooms are laid out like those of the house where Emperor Meiji spent the night, and three adjoining tatami rooms offer views of both the Japanese-style front garden and courtyard on the opposite side. The bath, housed in a renovated traditional storehouse, provides a view of the courtyard.

With the help of a contractor specializing in the design of traditional Japanese tearooms, the space was intentionally designed to avoid ostentation, creating an atmosphere of depth and tranquility. As the 13th-generation successor of the brewery, Kitahara kept the founder's beliefs in mind while planning the inn.

"Why did the founder decide to make sake here? It is because this place was blessed with beautiful water. If you have excellent ingredients, you don't need fancy methods. This is true not only for sake brewing and cooking, but also for accommodations," he said.

The fittings, such as the handles on the *fusuma* sliding doors, as well as the furnishings and lighting, are all antiques. "All the tableware is

antique art, too. Some pieces are quite valuable, but there is no point in having them if we don't use them," Kitahara said.

In the dining room, seats are arranged around the kitchen. Here, locally sourced vegetables, fruits and herbs as well as meat, fish and eggs are skillfully prepared and plated right before guests' eyes. Every dish is both visually stunning and full of flavor. Sake and sake lees are incorporated in various ways, from sauces to desserts, releasing a rich aroma. The sake served with the meal — ranging from sparkling sake and various types of chilled or warmed sake to spirits made from sake lees — is carefully selected to complement each dish. "We also listen to our guests' wishes in advance and try to accommodate their requests, whether they want to roast sweet potatoes over an open fire, sample local game meat or enjoy a barbecue," Kitahara said.

The basic accommodation plan includes a tour of the sake brewery. Depending on the time of day or season, guests can see rice being washed, *kōji* mold being spread on rice, sake bubbling like a living creature as it ferments in tanks and *moromi* (raw fermented mash)



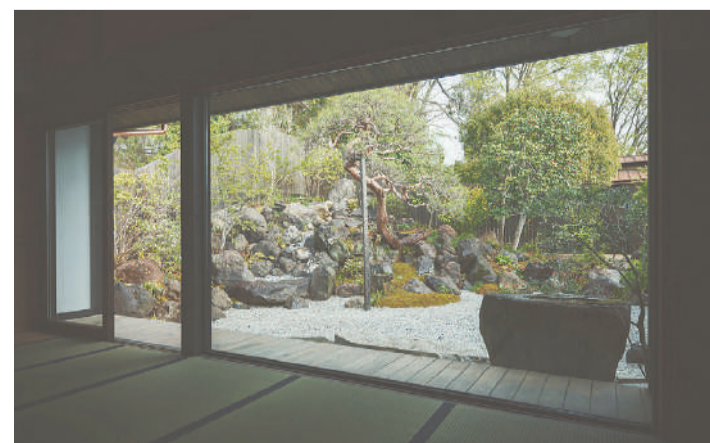
**Shichiken Junmai Daiginjo Hakushu won the Champion Sake prize at IWC in 2025.** SHUHEI TONAMI

being pressed to extract sake.

Guests can also take a tour of Ojiragawa Canyon, where the water used to make sake at the brewery originates, and walk along a clear stream. The water is icy cold even in summer, shining in various shades of blue and green as the water flows on the white granite rocks, pebbles and sand reflecting the sky and the surrounding greenery. "In the nearby park, you can see fireflies in June, weather permitting. They can only live near clear streams," Kitahara said.

There are also rice paddies owned by the brewery in the neighborhood. "We mainly use the Yumesansui and Hitogokochi breeds, which are suitable for cultivation at high altitudes. Some of the rice we use is grown in our own rice fields, which we rent from local farmers," Kitahara said.

Esoto offers a variety of other activities upon request, including zazen meditation in a nearby temple, blueberry picking, vegetable harvesting, tea ceremonies and making traditional *wagashi* sweets, all of which engage various stakeholders in the town. He believes that Esoto will continue to grow with the town. "Starting this September, we will accept guests who require assistance in English. We look forward to offering experiences that cannot be found elsewhere, in the hope that it will contribute to the revitalization of sake culture," Kitahara said.



**A courtyard view from a guest room** SHUHEI TONAMI