

H. Yamashita

This year we commemorate the 60th anniversary of Chuo Boshi, which started in 1948 as the “Nishii Hat Manufactory”

In 2002 we published a volume of our history, commemorating our 50th anniversary, after a four years’ delay. The delay was due to the fact that we counted from 1953, the year in which we incorporated our business.

This book, commemorating our 60th anniversary, is the second volume of that history.

Therefore, only six years have elapsed since the publication of Volume 1, the 50th anniversary publication. But there have been a lot of changes over this six year period.

In the year of 2002, Shigeo Nishii, the then president of the company, passed away. In 2005, Susumu Nishii, Shigeo’s elder brother, died. These two were the founders of our business and exerted a great deal of influence on the company. We feel that two big waves are gone.

The first volume published in 2002 was titled “The portrait of Shigeo Nishii” In going through that book, I find a lot of homage to Shigeo, from our business friends and our employees, including that from me.

The six years between volumes 1 and 2 represent a lot for the future of our business.

20 Years Ago

It was 20 years ago when I joined Chuo Boshi. One day, one of my senior colleagues told me that “by working here you will go through a scale model of your life itself.”

I interpreted these words superficially then. Because I thought that these words would apply to any company, no matter where I worked, since a “company” after all reflects the character of management and workers there. Now, in retrospect, I feel I would interpret those words differently. This company, as I see it now, is really like a family. We do not believe in bullshit, but call a spade a spade. We ignore seniority, traditions and precedent. We address each other by our first names. It is a group of frank and vivid people.

When we ask the recruiting candidates their impression of our company, they say it

is like a family. When I was asked the same question, I said I felt it was like seeing an out-law region, because I had been surprised by the atmosphere of the company as I was guided through the office and factory. A family and an out-law region, these two notions are the core of my impression, and they fit in those words “a scale model of life itself”

Personnel Management at Chuo Boshi

“Beg someone for something that helps them.” This is what I learned 20 years ago but this is still the basis of human management in our company. Some workers at our factory were stubborn and rejected those offers that would definitely help them. For example, some worker was insisting on a separate social health insurance for his old mother paying high premium, whereas it would be much more economical to categorize her as his dependent, and someone else was paying an outrageous interest as a result of borrowing from a dubious private banking company, or someone else who continues to drink alcohol, disregarding his doctor’s advice.

Those are the solvable problems, and I keep it my policy to interfere, albeit it may meet with repercussions from the subject employee. There are no messages of thanks from them. Sometimes I felt that my care for them is unrewarding.

Occasionally I organized company excursions. These were also unrewarding. But someone made me realize that I should not be seeking rewards. I realized I was wrong in expecting thanks. Since then, my policy became very clear. “Beg someone for something that would help them.” This motto has helped me to fulfill my duty in human management at Chuo Boshi.

There are many people working with us. Everyone has his own life style. But I think my policies would be applicable to anyone under any circumstances.

Tokushima Boshi

Chuo Boshi has a subsidiary on the name of Tokushima Boshi, in Tokushima Prefecture. This was established in 1976 and now has 25 employees. This is the factory that has the highest productivity among our five subsidiaries.

The plant manager, Mr. Horiuchi, passed away in 2004.

When he was alive, he was constantly asking me to find his successor among headquarters’ staff. I was procrastinating doing so, not knowing he would die so

quickly. My reasoning was that the Tokushima factory was important, and no one else would be as capable as Mr. Horiuchi to take on this responsibility. I even recruited some candidates for training and later assignment to Tokushima, but they all left after a short while.

Now with his death I had no more excuse. I was under pressure and it was the worst time that I experienced. The workers were worried, and morale was down.

Etsuko Horiuchi as the New Manager of the Tokushima plant

Etsuko or Etchan was the wife of the late Mr. Horiuchi. She had previously worked at this plant and retired, but after the death of her husband, she made up her mind to return. She wasted no time in re-elevating the productivity of the plant and two months after she started the monthly result showed growth over the previous year. I have never seen such an example where the workers minds were united together so tightly. Etchan, on my visit last year at the Tokushima plant, reported to me that the company party she had held was so happy and gay, with everyone including part-timers participating.

Han Ku Moja or Korean

It was in 2002 when I was assigned the production manager's position at Korean Hats, so I have six years of my experience with this production unit. This factory was established as a joint venture in 1970 at an industrial park in Korea.

Shigeo Nishii, the founder of our company, was living in Daikyu, Korea before he was drafted into the army, and always saying that Daikyu was the home of his heart. His brother, Tomekichi, the father of Shigeo, was running a department store at Daikyu. With this background, Korea is closely associated with the Nishii family. The president of Korean Hats sent his commemorative message on the 50th anniversary and his message was printed in volume 1 of this book.

This year, however, Korean Hats faded away. It was liquidated. What I did was to manage the liquidation process. Fortunately, the balance sheet was sound and we could pay some bonus to departing employees as well as some dividend to the shareholders.

Susumu and Shigeo were both visiting Daikyu frequently and Shigeo was writing in the first volume of this book that he loved to recite some phrase of a German lyrical poem on the hill of Daikyu in the dusk. I like that poem, too, because it reminds me

of the late Shigeo who was always saying “The dream is important. It is the end of you if you lose your dream.”

Korean Hats exists no more, but its memory will never die, as long as Chuo Boshi exists and there are hats in this world. Farewell to Korean Hats!

My Chuo Boshi

What I am most proud of my company is that it helps aggressive people. When someone wants to elevate their skill by learning, the company subsidizes this, without the expectation for a return. It responds to the needs of the employee, but never imposes on someone nor forces them to do what they don't want to do. There is one condition, however, for the company when subsidizing. It is the aggressiveness of the applicant. This is part of our tradition since Shigeo's time. The fiat is strong and one must try hard. If they fail, however, this failure will not be punished.

There are many young technical people in the headquarters plant here in Osaka, and there is a good morale that was fostered by the former plant manager, Mr. Yoshio Yamashita. They commit failures because they are new to the business, but the company does not blame them so long as they tried their best and the failures would educate them for improved results in the future. There are, I think, not many companies where individual initiative is so appreciated by management.

This company takes good care of its female workers. The facilities we offer female workers are very well designed for their convenience. We even provide a free nursery for their children to eliminate their concern while working. This is also a part of tradition and I would see to it that the tradition will be carried forward.

I am questioning myself now as for whom I am writing this. I am inclined to regard it as homage to late Susumu and Shigeo.

In closing, I wish to thank the clients who patronized us, and my colleagues who dedicated their passion to hat making. I hope that they will continue to lead and help me.

Production Control

H.Fukudo (F)

K. Hayashi(H)

---When did you join us?

F: As of October 1 1976. My first job was the finishing and quality-check of non-fabric hats. 6 months later I moved to sourcing section, where I linked private co-processors with the factory. I did this job for some 20 years. Then I moved to the the production control. My job is to control the production schedule and delivery deadlines

H. I joined in April 1976.

----Almost same time as F-san.

H. Yes. It was the “mass-recruit” time and I was hired together with some 50 people. I started with molding, and moved to the sourcing, and then to the production control.

---A lot of changes you must have seen.

H. Yes there were many people then. A vivid atmosphere

F. In those days we made tens, or sometimes hundreds of dozens in one style. In molding section there were some 30 female workers just for accessories only. Nowadays there is no more mass-production ,and “many sorts in small quantities” production style is prevailing.

---How many people are working in your area now?

F. In headquarters production area, there are some 75 people.

H.And there are four branch factories, each of which has 20 to 25 workers.

---When did you change from mass production to the so called “many sorts in small quantities”?

H. It has changed over many years so there is no clear cut transition date. In mass-production time two to three hundred dozens per one pattern were very common. Nowadays we have so many varieties of pattern, and sometimes we have to make less than one dozen per a pattern

F. People today prefer to be different from somebody else. In those mass-production days, everybody accepted one and the same pattern if it was in fashion.

----Yes, indeed.

F. They have become very selective. Varieties are wanted not only in patterns but also in colors. The efficiency is lost. To make the situation worse, there is a tendency towards more intricacy in design, which makes our work more complex.

----Any change in the production process itself?

H. Yes. For example, in mass production, cutting can be done in one process and in one shot for so many sheets of fabrics. But today there are so many pattern varieties, each of which needs a different cutting process.

F. Yes, different patterns need different treatment.

H. Sewing is another problem. Unlike clothes, the hats are round and three dimensional with many parts and elements , so that when there are many varieties, it becomes really difficult.

F/ We used to sell what we thought good, and the market followed. Today we have to listen to what consumers want. So we have to prepare so many varieties, and delivery lead time also becomes shorter.

---Are there seasonality in your job of production control?

H. Yes, February to March is the peak for summer hats. August to September for winter hats. At busy times with tight schedule, I often go down to a distant branch factory with my lorry to pick up the delivery.

F. My jacket is marked with a nickname that combines my name with the name of .H-san. His jacket is also marked with the same combination nickname. This is the symbol which signifies that we always work in tandem. This nickname was invented by the big boss, Mr.Nishii.

---Sounds like an in-house brand

H. This nickname is even painted on the body of our pickup lorry.. Even some of our colleagues do not know what this nickname means.

---I thought it was a logotype of some other company.

F:The big boss made them for us

H : This nickname is painted on the lorry's body but there is no mention of the company name, Chuo Boshi. Sometimes people cannot tell from which company we came

---Looks like as if you work for a transportation company

F: Convenient when we are behind the schedule(laughter).

---Are you often late?

H: Very much often

F: So many delivery orders from the sales area that the delivery logistics are always very tight.

---How many people are there in the area of production control?

F: Nine

---Are there many coprocessors that have a long history of working with you?

F:Most of them have a long history. They are very old, with several people who are in their 70's, and sometimes even 80's.

H: If they have no young successors, that is the end.

----How about the size of their factories?

H: Some big, and some small.

F: Some of them are our ex-employees. and some others are sons of hat shops. We have to, however, rely on Chinese co-processors as well, because the domestic availability of co-processors is limited.

-----We can buy hats even at convenience stores, because hats are no more expensive.

H:Yes, hats are nowadays sold at 100 yen shops as well.

----Is the labor cost the biggest element of the cost?

F: Yes, the labor cost is the biggest.

---Because it is hand-made, piece by piece, isn't it?

F: Labor cost is the fixed cost in Japan because we do not usually lay off people. So it is important to get orders not to waste the waiting labor force at the slack period.

----How about the production volume? Is it declining?

F: Well, not so much in total, whereas the production volume at the headquarters factory and other domestic plants are declining. The balance comes from factories in China. We see that hats are coming back to younger people. Also, hats are used as sun-shade in summertime.

H: When hair-dyeing was in fashion among young generation, there was some decline.

---So the fashion is an important factor

H : Yes, very much so.

F. Every year there is a change in fashion, and our dealers must cope with it. This results in a curtailment of the delivery lead time.

H. And those short notice orders come from many dealers.

F: We cannot foresee and preempt the fashion of the coming season. We could do the business years ago in such a style as making inventory at the slack time. Now we have to wait until the dealers come to us with specific orders. If we increase the employee to cope with the busy time, we will have wasted capacity at the slack time. Moreover, this job requires some experience so we cannot hire temporary workers that lack the experience. These are the difficulties to maintain the production system, be it in-house or coprocessor.

----The production control also requires experience, isn't it?

H. Yes. Each production facility has some specialty and you have to remember which facility can make what better than another. This needs some experience.

F: Perhaps four to five years to master the basics.

---What are your problems and challenges?

F: We cannot foretell what sells good, and therefore cannot make inventory at the slack time. The factory people always ask us to get the orders earlier so that they can avoid overtime work and save cost. These are the eternal problem that we have to face inasmuch as we are in the fashion business.

---Factory people want to have enough leadtime. Isn't it?

F: Yes, they want to take time to make good hats.

H: And troubles happen when we make the things in a hurry.

F: Human jobs cannot avoid errors, especially when in haste.

----Sales area asks you to wait until the demands from the dealers become clear and definite?.

F: They understand the situation and our problems but cannot avoid forcing us to wait.

H: If orders come one or two months earlier, we will have ample time to do a good job.

F: Yes, if there is such a lead time, we can also reduce the unnecessary loss.

----Do you experience some rewarding moments?

H. Yes, when we could meet the deadline. Also, when we can avoid mistakes, we feel rewarded. The market has changed and there are always tight-rope situation.

F. We feel rewarded when a project makes a good profit,

----Do you feel that foreign competitors are catching you up?

F. Yes, especially now when there are so many varieties.

H. Chinese have become better. Some years ago we could sell them for short. They could do simple jobs only.

F. There are more intricate products from China than it used to be. Their quality has also improved.

----So they can compete with you in terms of quality, too.

F. Yes, and we must strive better because quality is always our motto.

----What part of your jobs needs care?

F. Weak points tend to show when the job is done in haste. If you cut too many fabrics in one shot, there will be errors because fabrics will slide. Sewing in haste makes poor quality. Molding is the same. Quick jobs are dirty.

----So you have to watch all the steps of processing.

H. Very true. Jobs in haste make poor results

F. Especially so in these days when we have more intricate designs. You need time to understand and digest the concept in order to make a good hats of intricate designs.

H. Especially so in local factories. In headquarters factory, the designers' office is just one flight upstairs and the workers can easily ask them. In local factory they have to interpret the concept from the description of the order sheet received from headquarters. We supplement the explanation by telephone but this is not always sufficient. We try to send the sample made by designers to the local factory as often as we can, but when there are no samples, they judge from the words on paper.

----What are your long term objectives?.

H. Keep the promise on delivery. We had several fiascos this year. We do not want to repeat them.

----Again because of the time limitation?

H. Yes, everything is on the instruction paper but it is easy to miss one or two important instructions.

----So you make everything from the description of the instruction paper.

H. Yes. The factory manager gives necessary orders looking at that paper. He understands and interpret the description into how to cut, sew, mold and so forth looking at that paper. Theoretically, there should be no failure, if everything is done as it is written. Here comes however a human factor that one or two points slip out of the attention. We must strive for better, bracing up ourselves.

---How about you?

F. The time and tide is against us in terms of domestic production. I prefer maintaining this factory in Japan instead of sourcing everything out of overseas.

---I felt that all the departments are in this one building cooperating with each other.

F. Yes. So it will be ideal if we can continue this way. We will strive for that.

Golf

S.Yamashita: Y

Y.Onishi: O

O:I understand we talk about Golf today

Y: I heard so from the boss yesterday but I am wondering what to talk about

O ; It is true that we both are fond of golf, but I don't understand why we must talk about golf in this book.

---I also don't know why but your boss told me so, so please go ahead

Y: I am now 60 years old, I joined this company when I was 19 and I have just reached the year of my retirement. I am now working at Eccletico division as Planning/Sales staff. I am planning to work for another ten years until I become 70. For that I must be healthy and tha's why I started doing golf. I began it at the age of 40 sice I started late I do not improve much

O: You do improve.

Y. For my health and also for customer connection, that I started golf. We do not very many players in our company.

O.No, not very many. Golf is no more an entertainment tool. We do not talk about business at golf range in these days.Wholesale people also tell me so.

---How often fo you play?

Y: One every two months or so. 6 to 7 times a year. This is not the way to improve.You play more often being a member of a club so you go at least once a month I guess.

O: Twice a week in average. You talked about becoming healthy with golf but on the contrary I ruined my knees by golf. So when I have to walk a long distance it gives me a big burden. A surprise is that my knees improve when I walk at a golf range. This is strange because my knees were damaged by golf, but anyway golf heels them. I take golf as a barometer of my health, that is, when I can enjoy golf I feel I am OK. I ask my doctor whether I can go on like that, and he answers "Yes you can play golf. If not, the stress will grow and make harm to you" Therefore I go to golf twice a month. But I am not going to driving range anymore.

Y. I am not going to golf so often but to a driving range. I hit some 100 balls a week there. That seems working good for me.

O. You swing a club more than I do.

Y. Yes may be so. I swing club to keep me good. I joined this company when I was 19 but before that I was a field athlete in my school days. On the day before winter vacation of a year, which was December 30, I made a long distance running from my house at Shiga to Osaka city. It took some eight hours and I ran this distance with my athletic suit in the midst of chilly winter. I was strong then.

----It is quite a distance

Y. I made it because my boss said to me that I would have to try for some unusual thing at the closing day of the year. I was young, then.

O: How about your baggage? Did you send them?

Y. Yes, I sent my luggages. I had some coins in my shoes for emergency telephone call, and that's all. I trained myself in this way and in retrospect I think I am still going strong thanks to the training of those days when I was young. I am over 60 but when I hit a golf ball with a driver I can make it fly some 250 yards. I am fond of studying properties of balls and clubs and that study contributes to my good record. My aim is to make 200 yards driver's shot at my age of 70. With such vigor I wish to challenge my office work, too, for another 10 years. I think I can do both, work and golf, very well, with scores improved.

O: You look younger than you are.

---How old are you?

O: What do you think, if you compare me with him who is 60.

---I was guessing you were in mid 50's.

O: Yes, I am still 54

Y: Soon you will be 60. You must keep training yourself.

O. It may be difficult to become stronger but I want to keep me as I am now. My eyes are becoming older and so my body. I want to keep the current status. If I cannot do there will be a stress.

---All work no play makes everyone dull.

Y. Yeah

O. Golf is therefore important.

Y: Refreshing and recreating, at least

O: Yes very much so, It drives away your stress no matter how bad is your score

Y. He once made a hole in one. Look at this(showing a commemorative card) This is a prepaid telephone card and I consumed it, but I am still keeping it.

----The date reads December 8 2001

O: Yes I remember that card. I also consumed it but I am keeping it, too.

Y. You cannot make a hole in one very often. Maybe once in your lifetime. I want to do that once before I go away. I also want to challenge "age-shoot" or leaving a score less than my age. It is a good manner or custom to make such a commemorative gift for everyone when you make a hole in one, though it costs money.

O: I did not know what to do but followed the advice of a friend. It was a competition match of a business community, and we were making two rounds. I made the hole in one at that time.

Y: Yes you have to make gifts and spend money for such an occasion

O: Yes. If I did it on a private game I shouldn't do a big gift. I anyway spent a lot and applied for redemption of a "hole in one insurance"

---Did you have golf competition in the company in a large scale?

O: There were competitions that the current president sponsored. He started golf in connection with some golf event sponsored by a client company. He did the in company competition only for two years. I participated in that competition borrowing club from a friend and then I learned the pleasure of hitting a golf ball. A home-run of baseball is only 100 yards but with golf you can make the ball fly twice as much. It is an enthusiasm in a green golf park and since then I never could graduate from that pleasure. It is quite a long time, maybe 20 years or so.

Y: I have been doing it for 21 years so it should be almost same.

O You participated after you had had some experience of practice. There is the difference of some three to four years in the golf career, I guess

Y: You play oftener than I do so you improve faster

O: The real talent is in you.

Y. No,no, you have more experiences playing with the people outside of our company. My playmates are all colleagues and the driving range has not undulation, unlike the real green/

O: The club of which I am a member holds monthly competition and I try to be there as often as I can. I join it alone so the other three are all unknown to me. It is an official competition so that they all play very serious. Sometimes I am a stranger among three close friends and sometimes I am playing with three lone wolves. Anyway I join alone and I get trained there. In addition I develop the sphere of my acquaintances playing with people whom I do not know.

Y : A good experience.

O : I learn manners that I did not know from them.

Y: Some people tell you about them.

O: Some

Y. That's very good. Three people around you make you more alert when you do not know them. If they teach you manners that will give you chance to learn new manners.

---It is important that you meet somebody you did not know at the golf occasion.

Y: Yes, you meet the people in different trades

O; You can create new friends , and you would meet lone wolves again that you had met long time ago.

Y. We talk about golf today but we don't do that usually.

O: We do not have many golf lovers in these days. Years ago your brother was a golf enthusiast.

Y: He liked to organize a competition, arrange for prizes, and so on. It is important to have such an organizer. When I talk with customers we seldom talk about golf nowadays. Golf lovers have become old and we need replenishment by younger blood.

O.We used to play with customers on week days . Now it is seldom that we see golfers on week days. Golf is no more a good entertainment tool for us . It was important for salesmen to be able to play golf. We used to do practice two months ahead of an

important game with customers. When I could not sleep the night before, my children made a fool of me saying that papa is like a schoolboy on the eve of school excursion.

Y: Only very few people play golf in our sales area

O: More few in production area. They come when there is an important competition.

Y: One of my bosses was a golf fan. He talked about golf every day. If we have someone like him around you, you will be pulled into that direction

O: There was someone around you who plays at the same driving range

Y. You talk about Mr.F?

O: Yes, he makes reservation for you on holidays.

Y. Yes. I played with him for a year. He forced me to play starting at 5 o'clock in the morning.

O:He insisted that you join him because the reservation was there

Y. There are people like that. But I have improved a bit thanks to these people, and I became healthier, as well.

O: You practiced club swinging every night. You even bought some suit to wear in cold weather for swinging outdoors..

Y; I am now over 60 and cannot strive very much. My loin has some problem, too. I have to control myself.

---I think that there has been quite a change, not only at Chuo Boshi, but also with other companies. A change of atmosphere or climate. It used to be a lot more pleasure-oriented, such as company outing or baseball tournament.

O; Yes, we used to play a lot more. We were living in dormitory and played together. There were a lot more chances for group activities for pleasure.

Y. Chuo has a baseball team, too.The sport event in Japan was primarily baseball. Almost every company had its own baseball team, Sometimes qwe were asked to send three teams for a tournament. Nowadays people become older and they change to soft-ball.

Y. Do we still have teams?

O. Yes, two. Girls team as well. That is also fine.

Y. We don't have company outing in these years. We used to go out with bus quite often.

O. Once a year a big group tour with bus, and we played golf on the day next.

----With most companies there are less and less group outing. Younger workers do not like it, I guess.

O; Yes. Group outing is no more welcomed, though the company pays for all the expenses. They prefer football to baseball. We do not have much sporting event, unless we join a club. We don't have opportunities to indulge in sporting activities. In our younger days we always had something, even a small ball game at an open space. There are no more such open spaces today.

Y: No more circumstances and opportunities as we used to have

O: We could find facilities for tennis,, for example, even today. But there are no facilities for ball games anymore.

Y. Golf is easy to do with small number of people.

O: Two at the minimum will be enough, if you are prepared to play with an unknown person.

Y; There are golf courses that can be played with two person only

Y: I am fastidious about the sport gears. When something new comes out I buy it selling what I am currently using. So within six months I become the owner of the newest gear. I am an old man but when I make a good shot with a new gear my ego is satisfied.

O. That's an interesting aspect. In golf what counts is the score, but you are apt to spend your energy in making a good shot, especially when you use a driver. How many yards is very important to you. If a dragon hole is in the competition, I pay all the attention to that hole and end up with a poor score.

Y. Yes I try to have my ball fly a good distance no matter how old I am. A frined of mine who is 70 makes 200 yards. I want to make 200 yards for anoher ten years. My course has 300 yards and not many people can reach there, except for a professional. So 250yards sign post is my current aim.

O: Balls for training do not fly very much

Y. My balls are for real games. There are not many courses where I can trace my ball unto the end. That gives me another pleasure.

O; Yes, even a practice at driving range is a fun

Y. You can change your mood and golf is as pleasant as the work. Our sales people are all like owners of boutique where they create their own design and sell. This mode of work is rewarding I am fond of creating new material for hat so I am now planning a cool stuff for the coming summer, which I believe exceptionally hot. Everyone plans and makes his own. It is like a small shop-owner. It is busy but rewarding.

----You compete with your colleagues at one client.

Y. Yes we do. Therefore there is always a competition within our company in order to be the first in grabbing a new material, and in creating a new hat with it, and in getting orders for that hat. In this process you are trained in your ideas, ability of evaluating the material, creativity, and so forth. These are basic forces that support Chuo Boshi .

---And that energy bursts in golf, too

Y. Sure

Y: Is this talk about golf OK for the new book? I am worried(laughter)

O: I am worried, too. Is golf-talk as such acceptable?

---I talked with many people and heard many stories about the business, and impressed how hard they are working. In such a context there is no room for soothing that you do in your time of leisure. Here I could find one and I am a little bit relaxed.

O: A good golf player has some extra reserve in their strength. A good worker, too.

I always try to have some extra but cannot. It is difficult for me, maybe for ever.

---This section of golf is important "reserve" in this book, showing some reserve power of Chuo Boshi. That's what I feel.

O: We ourselves have no reserve.

Y: Sales figure is not good enough and there is no reserve for me, too. When the sales record is good I feel OK but to continue that is quite difficult. I have to try and strive anyway. Difficult is it, but I must also have some slack space in my mind and attitude.

---You need a slack when the world is hard for you.

Y. Yes, all the world is hard, and I find myself nervous. I must keep myself calm and relaxed and have some reserve power to overcome all the hardships that the world offers to me.

O: So it was your objective of this golf talk. To let us have some slack(laughter).

Y. Now I realize it(laughter)

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Tanaka(T)
Miyata(M)
Ito(I)
Furuyashiki(F)

----Tell me about your history and what you are doing

T: I am doing sewing in ladies hat section. I have been working here now 20 years. When I joined I worked in molding section and was checking the quality of finished goods for a year. I moved then to sewing section and since then I have never moved.

---What was your impression of Chuo Boshi when you joined the company.

T: There were a lot more people around me. Teenagers and 20's were there, too. I was also young then. I did not feel much of the responsibility. I was doing things in whichever way I liked. My superiors were all nice to me, and that is why I have been able to continue till today.

M: I worked here, quit once, came back, quit again, came back again, and so forth. In total I have worked here for two to three years. So you have a longer career.

T: Well, you are threatening me (laughter)

M: When I joined this section, it was called Giken (Technical Research). I was an only new-comer there. Everyone around me was older than me, so I had to try very hard to catch up. It was much busier than now so the circumstances were much more severe.

I I have worked here for 7 to 8 years. I started doing clerical work reporting to the chief of the plant. But I was trained in sewing, too. Eventually I joined Giken. When I joined there were a lot of young people and I thought the atmosphere pleasant and vivid.

T: In those days there were 20 to 30 new recruits every year. It was the time of the father of the current boss. Having more people was the company's policy, then. New recruit ceremony was very much crowded. Now we have only 2 or 3 recruits a year.

----Most of the companies are like that.

F: I started as a temporary and was doing a receptionist. Someone in production control quit for marriage and I succeeded her. It was three years ago

---What was your impression when you came here as a temporary worker?

F: I had no experience of working and I thought it was a good company.

I had difficulty in remembering the names and faces of the workers. There were at least 200 people in headquarters building only.

---Does Giken still exist today?

M: Yes, the name has slightly changed, though.

----But no change in what is done there?

M: Remains the same. The job is to create a prototype, which we call "first sample"

---Sample? How do you start?

M: There are patterners in Giken accompanied by sewers. I and my colleague worked as two sewers there. The sales area develops the concepts and makes drawings, and the patterners make molds, and we sew giving them the shape.

---How many models a month?

M: It depends on which time of the year. We are seven workers in Giken and we do---how many?

T: About 500 a month?

M: A lot of models anyway when we are busy. We do men's, ladies', and kids'. We do caps, too.

F: There are color varieties in addition.

M: We make color varieties per each prototype.

--Which month is the busiest?

M: Before sample fairs. April through May, and October. Spring and Fall. I cannot go out of the company on regular time except for three months a year.

--What is your working time?

I: 8.45 to 17:45

---Everyone at the same shift?

F: I work at 9 to 18 shift.

---How in the production area?

T: They get orders at sample fair, and then they prepare stuffs for cutting. Then the cut fabrics come to us, so there is one to two months lag. They are anyway busy all the year.

---Do you specialize in any type?

T: I am doing primarily ladies' There are not much of the kids'

---Any change by time?

T: Ten or twenty years ago, when I joined, there were not many varieties. Now we have so many, each of which is a small lot.

---Many small lots? How many hats are there per one lot in these days.

T: 5 to 6. When a lot was big we made over 1,000, or sometimes close to 2,000.

---You display samples, get orders, and make them. Do you have repeat orders?

T: Yes

---You get the orders from wholesalers?

F: You get orders from wholesalers after the sample fairs. So there is a time lag.

----You prepare your goods in advance, with a certain sort of guesswork?

F: Depends. Some sales people does no guesswork. Some others do.

----So it is up to each salesman.

F: Yes

---Then you sometimes have troubles with sales people

M: Yes, quite often(laughter)

---You may not complain, but you feel frustrated.

M: Yes

---Are you then victimized or you victimize the sales people

T: Fifty-fifty.

---Do you sometimes bluntly say “No, I cannot do that”

T: Seldom, because then I would cause troubles with customers. So I stay awake all night and meet the requirement(laughter). That kind of thing is endless.

---A lot of changes you meet, in fabric, design and so forth?

M: Yes. Quite so in these years. Always a new fabric or a new design comes up. Sewing machine cannot always keep up to the needed sewing technique, so I have to fill the gap by my skill.

---You cannot always meet the sewing requirement with the machine you use?

M: Quite often I cannot. That’s my headache.

---Then you strive for creating a new sewing technique with each new fabric?

M: Yes I have to. Sometimes I cannot have enough time to test so I skip tests. Don’t we?

I: Yes we do(laughter)

---And you accomplish eventually what you wanted

M: With a lot of hardships. Even if I can do it with one sample alone, that’s not enough. I have to do it in quantity. So I have to establish my technique on the condition that it can be applied to a mass production.

---Do you have primarily women in production area? What is the percentage?

T: 80? Or 70? We have more men in Giken.

M: Some 70 across the departments.

---Tell me the things that impressed you most since you joined.

T. Years ago I had to stay until 8 or 9 in the evening to catch up, working on holidays, too. One day I found myself crying. It must have been at the rock bottom of my morale. I was wondering if I could continue. Then I started again. That’s the way a woman can changes, when cornered. Do you have similar experience?

M. Yes, I do. I lost myself and could not understand what I was doing. That kind of moment used to come back maybe once a year.

T. I was afraid of such a moment. Now I have become tough and can get rid of such a critical moment.

---You could have some reserve in your mind after that.

T. I don’t know how I could overcome. Everyone must have a similar experience.

F: I was crying in the ladies’ room. I was angry of myself. I was between sales and production so I had to listen to both. It was hard to let sales understand what production was saying, and vice versa. I was angry of myself that could not

intermediate between two opposite sides. The working atmosphere was OK. No hardship in keeping good relation among colleagues.

---Does anyone have similar experience?

M: Yes. When I cannot do what I can do in my head. I am angry against me at such a time.

T. When you find the way out. It must be a joy, isn't it?

M. Yes, it is a big joy

T. You then think you can do it that way for sure.

M: Yes

T. There is a sharp thin edge between "can do" and "cannot do". To go over that edge is a reward.

----Do you have a similar experience, I-san?

I. No tears---yes, once. When scolded by the chef. I was hiding in the ladies' room. Now I have become tough.

----That's the sign of your seriousness. Is this job of hat-making a rewarding job?

I: Yes, at least for me.

M. Me ,too.

---What moment?

I: You can create a new hat, all by your hands. When I get a praise for my hats it is really rewarding.

M : In my area patterners work with sewers. When we get orders for what I participated I am rewarded. The bigger the order is, the more am I rewarded.

----How about you F-san?. It looks like you are also a "go-between".

F. I am rewarded, too. I was fond of sales job, but when I got transferred and started making hats I began to understand and was interested in making hats. In production control you get in touch with both ends, sales and production, and this experience gives me a lot of fun.

---You manage the both ends.

F. I cannot do it alone of course. I do it being helped by others, I wish to improve.

---How about you, T-san? You must have a long career and a lot of experience.

T. I was never content with what I was. I always thought there must be a better way. I get rewarded when my staffs improve their skill. I am also satisfied when I watch people wearing the hats that I made. On the other hand if they wear them in a wrong way, I am tempted to give them advice. Do you understand? (laughter)

----Do you see people walking with the hats you made on the street?

M: Yes

----Does it give you a pleasure?

Everyone: Yes.

I: Sometimes I find it in magazines, I buy those magazines.

M: I look at the inside of hats when I go to hat shops.

T; It is a kind of disease of the trade

M: Yeah, a sad disease.

T; I look at the sewing skill, when the hats are not our products.

---Are there any advice or requests to the management?

F; Yes, we need more people.

T. Skilled people. We need new recruits to pass down our skills. Girls get married and quit and we must replenish.

---How long would it take to be skilled enough?

T; Three years. This will apply to other jobs, too.

M; We need more time in our area. Patterners and sewers also have good skills but they cannot make the skill work being pressed by delivery deadlines. I often regret for them the lack of time.

---So it is always a race with the time.

M; All of sudden someone brings the thing to me saying he wants to have it done within the same day.

---Quite often?

M: Yes.

---Unreasonable things can be solved at your place,

M: I have no choice. I cannot disappoint customers. But I cannot use my skill 100%, which is frustrating.

---Perhaps it is the sales people that gives you such a trouble. Do they give you something in return as a compensation ?

M; Depends who it is.

---Yeah, true.

T: You may be doing the same thing if you were a sales staff. Don't you think so?

If I were a sales staff, I might as well do the same thing.

---Sales staff is also pressed by time. Any other demands or requests? Welfare, facilities, etc. This company has baby sitting room. How about other facilities?

T. The production building is pretty old but they mend it often. I wish if ladies' room is a bit better.

----I see.

T; That changes the feeling quite a lot.

M: In our area men's and ladies' rooms are apart only with a thin partition.

I; So is the entrance of toilets

T; Tiles on the floor.

I: Which is chilly in winter.

----In many modern buildings toilets are really clean.

F; Yes, even with the sprinkler washing system.

---- In those buildings, ladies rooms are especially spacious and clean. You can check your make up and brush your teeth. These must be important for lady-oriented working

place.

F: Sales staff on the second floor should have complaint about toilets. We need independent rest space, too. Clerical area has desks and they can open luncheon boxes there, but in our area there are sewing machines and no place for lunch. We used to have the sewing machine table for lunch but we recently acquired a small table.

M: We also use sewing machine table for lunch in our area.

T: Spill offs can stain hats in process. A separate eating table is a must.

----The factory building is indeed old.

T. That is what I like sometimes.

M: A kind of maze.

I: I got lost when I started in his company.

-----Old factories tend to have mazes. I will have this recorded to get the attention of the boss.

----Tell me your future objectives and policies.

T. I have no grand objectives or policies, but I try to aim at quality rather than quantity. It is always difficult and I have to compromise. I have, however, a definite mind to aim at quality. I want to make myself ready for any questions, as far as I am in the production control. That is the starting point of my long term development.

M: I want everybody has the same level of skill so that anyone can make the things needed. I want to help colleagues to realize this.

I: I want to improve my sewing skill so that I can make things even without an error of a millimeter . I can now sew many things but I have to try harder to improve myself.

Sawae(S)
Nishida(N)
Yasugahira(Y)

Patterner

---Please tell me what you are doing and how long.

S; I joined twenty years ago. Doing patterner at Giken.

---So you have been doing the same job for 20 years.

S;Yes. When I joined Giken was in another name.

---Why did you join this company.

S.There was a notice of recruitment at my school. I had not known anything about hats. I learned everything after I joined.

N: Eight years since I joined. I was doing molding job for about 8 months since I joined. Terada section started in the sales department, and Mr.Terada asked me to join his section. I am a sales staff but always wanted to learn about patterning. Five years ago I made a request to do so, which was approved of, and so I am now doing both.

I had been in building business before I joined Chuo Boshi. I was an architectural planner for thirteen years. I was fond of hats but I had no one in building business to talk about my favorite subject. So I changed my job and went into hat business. I found many creative hat makers after I had joined this company, and if I had known those creators before I changed the job, I would have not joined this company. I enjoy working here because there are many discoveries almost every day. I realize this is the first class hat maker in every respect, such as patterning, color choice, fabric and so forth.

---So you are making hats realizing your dreams

N. Yes, But I am allowed only three months a year to do the job as a patterner.

S. You must say it to the boss straightforward.

N. Yes, I would tell him that I want to do the job of patterner for more months a year.

---How do you feel by doing both sales and patterning at the same time.

N. There is always conflict between the sales and production areas in regard to the delivery time. It is the expression of the willingness to do a better job. To coordinate those two ends is my job. This is what I feel.

Y: I had been studying cloth designing at a school in Tokyo before I joined.

To be a designer seemed to be attractive to girls. The reality was different, though. After I finished the school I met the recruitment notice of this company. I started learning sewing and then changed to patterning.

---How did you like this company?

Y: There aren't any love affairs in the office as you see in TV dramas

S: You practiced it. You found your fiancée(laughter)

N: Never. Don't tell me jokes.

.----Do you get orders from the sales area?

N: Yes. The sales area makes drawing and choose the fabric. These come to the patterners and they make lining and pattern papers. Then patterners and the sales people talk about details such as softness, color, and so forth. The sales people approves of the final design and a Planning Sheet will be issued. Based on this planning sheet we work on the costing and selling price. Then the Planning Sheet goes to the production area.

---So the sales area has a definite idea in the outset how a hat should look like.

S: Yes, to a certain extent.

N: And it will be further substantiated through the talk with the patterners.

---How many patterners are there?

S: Eleven with new-comers. Including those in hat-body section there are 15.

---How many ladies within them?

S: Nine men, two ladies

---Ladies work for ladies' hats?

Y: No, not necessarily.

S: I and my partner are both men and we work on ladies' hats.

Y: 80% of the orders are for ladies.

---Any mismatch feeling as men, working for ladies?

S: No, I started with ladies' hats so no such feelings. I am recently working for men's as well, and I feel less accustomed with men's

---How do you like your job?

S: I feel it rewarding when a hat takes form in reality starting from my patterning job. Another reward is the praise from the sales area. There aren't praise always, though, and I feel depressed at those times.

Y: I feel rewarded when a hat sells well, which I did not like very much.

---How do you like your Job, N-san? You do both of sales planning and patterning.

N: I am a novice in patterning and would like to add more to my experience. As a sales planning staff a better business result is rewarding. It relates to my income, too.(laughter)

---Remuneration is linked with your morale. Isn't it?

N: Yeah, I need a carrot before my nose that makes me run faster.

S: Sure.

---Any trouble when you work?

Y: Yes.

S: Planning Sheet is the fiat for the production area so if anything is wrong in it the

hats are wrong. Then troubles start with customers. We need to make the planning sheet always correct, taking into account the customers' needs.

---There are problems that you can find only after the production is finished. Isn't it?

S. Yes. Some problems cannot be found with the sample production, but found only after they are produced in mass. Then we try very hard to stop them before they leave the plant.

N: Everything turns into a big loss, then.

---Test production and mass production; are there big difference between these two?

S. Problems are found often in the easiness of production. In a test run, the quantity is very limited, so easiness is not a problem. In a mass production, however, it counts.

Y. A very popular problem. We make one or two pieces only in a test. We do not know what happens when hundreds are produced.

---So you do not pay much attention to the easiness?

Y. We do, but we avoid to complicate the matter beyond necessity.

S. We may be able to invent ideas to forego problems in mass production if we take enough time and make many samples, which will demonstrate typical problems that we may encounter in mass production. But we cannot spend too much time in making samples for one design.

---How many designs you make a year?

S. 2,500 to 2,600 a year.

N: So 200 to 300 per capita per year.

Y. Busy.

---So you make many designs per day.

Y: Yes, at the peak season. It is a split-second working schedule.

---What kind of a hectic schedule you have experienced?

Y. Well, now it has become a daily routine.

S. Yes. They bring it today and can wait only until tomorrow.

N. Yes we have that type of short notice order.

S. Some urgent order cuts into our preplanned schedule. Then everything collapses.

---So sales staffs want to grab patterners in competition with each other?

N; Yes. The most popular patterner is their first target.

S. A quick job is apt to produce problems, though.

---I thought so.

Y. Terada Department's order has many washing requirement.

N. Yes, waiting for drying is a lot of problem

Y. Washing and drying a hat takes 1 to 2 hours and the hat that needs washing must be ready earlier for this extra process. The delivery time cannot be altered, washed or not.

---You do not wash the fabric itself but wash after the fabric is made into hat. Is there no shrinking or change of the form?

N: So we make them by one size bigger.

---So you have a good know-how.

S. Sometime we mold them when they are still wet(laughter)

--What are your future objectives?

S. I hope that the company will grow further. I want to make our Giken better with less troubles and better customers' satisfaction. I want to make hats which I want to wear with pleasure.

.Y: I want to be the top performer. I want to make S-san's job easier, who is the manager of this department. He works as a patterner and does the job of the manager. I want to absorb his patterning job and make his burden less, so that he can fully devote himself to his managerial job.

:S. You say good things sometimes(laughter).

Y. If I become the top performer people around me will try to catch up and then the whole company will grow. I get then paid more and will be loved more by girls.

S. So that is your ultimate objective, I see. (laughter)

Y: Sure, you know that I am a rock'n roller.

N: I want to use more time to improve me as a patterner, .I don't know what I will be doing in future but I want to have more experience in any areas I will be assigned to and try hard to do a good job. Then I get paid more and will be loved more by girls(laughter)

Y: Here, here.

---Thank you very much, everybody.

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Planning Sales

---When did you join?

Yamaguchi(Y): February 16, 1999. I had been in clothing business before I joined this company. I saw a recruitment ad in a magazine.

---And in the same department since then?

Y: Yes. Some change in what I am doing but in the same department and for the same brand.

Tanaka(T): I joined seven years ago. I had been working for another hat company and then moved to Chuo. I always had a great interest in Chuo. My previous company was selling what they thought that would sell. Chuo seemed different. Chuo listens to the voice of the market and then make the hats. This is what made me to make up my mind to move to this company.

Inagaki(I): Three years and nine months, so----.I cannot figure out what year it was(laughter). I am always looking towards future(laughter). When I saw the recruitment ad I could not understand what Planning Sales would mean.

Matsumura(M) I joined 16 years ago. I came out of a college and received the examination. At the interview the current president, who was a managing director, talked to me for good three hours. When I left he said that I was recruited. I thought I was too lucky and could not believe it.

---That must have been a big surprise.

M: Yes, indeed. The sales are primarily a men's job and so I am not doing sales.

---Planning Sales is unique to Chuo. You work as a sales staff but at the same time you plan a new product and have it made at the production. Am I right?

Yamaguchi(Y): Yes. There are exceptions that a customer creates a new idea and comes to us. But in general we make and sell what have been created in this department.

---It must be quite a broad area to cover. How do you feel working this way?

Y: Very interesting. I was working for a cloth company before Chuo and there I sold what was created by development area. Here I can touch the pulse from the very beginning when a product is conceived down to the final stage of selling it to the wholesaler. I can see how the product I created is accepted by the market.

----How about you M-san?

M: I am now doing licensed brands and there are some restriction in terms of creativity. I have no free hands because the design was already decided by the licensor.

But I can use my creativity in thinking about the coordination with the garment, or bags, or accessories. I have no experience working for other companies but in this company I can do from the beginning to the end, which gives me a feeling of reward.

I: Interesting is the feeling shared by everybody here. Everyone can do from the beginning to the end. That is a busy life but being occupied so much turns into a pleasure. Also, I am sometimes getting an order for thousands of hats, and the order of

this size I never experienced with my former employer. This is also exciting.

---What are your difficulties and problems?

Y: I have to be a jack of all trades in this department, and I have to be involved even the dying of sewing thread. I am constantly involved in the tasks of other departments and cannot have time for my own business. That is tough.

I: Especially so with regard to the shipping. All shipments must go out at the same time.

----“lanning Sales” sounds to involve a lot of sales job like meeting with customers, but I understand from what you say that your job is much more skewed towards inside of the company.

I: Yes, it is very important for us to be involved in the tasks of other departments in the company.

T: I use as much energy dealing with the inside as I do with the outside.

Y: Yes, 50;50

---In which aspects primarily you have to deal with other departments?

I : Delivery deadlines

Y: With production area, I have to discuss about the processing cost and raw material cost. Then the delivery schedule comes next. You have to undergo a tough negotiation about it.

I: Yes. We have many workers in factory who are not so flexible, because they are good artisans. So good negotiation is indispensable

---What is your impression of Chuo as seen from inside?

T: There are many “characters” I had cultural shock when I moved to this company.

Y: For me, too, the initial year was full of cultural shock. Now I am kind of “settled down” and have developed my own standard. It took me a while until I get here, and I had to collide with many walls, go through many tunnels, and swim in many rapids

----So you have to adjust yourself to the modus operandi in this company. Are there changes in these 5 to 10 years?

Y : Yes, though I have not been working here for ten years now. The environment is better now.

---How about you I-san? You are the youngest and fresh.

I: I am no more fresh. You have to speak up in this company. To be silent is not good.

---So you have to express yourself freely.

I: It is not a must but to do so makes things better. So with the customer. You must say straightforward what you think to the customers. In our company everyone has a direct contact with the customers.

---Ordinarily only sales people does so.

I: True, but with us there are many of us who call one customer. Of course everyone has different territory, like man’s, ladies, and so forth. I am in charge of senior ladies but I was perplexed when I started by the way of doing things this way.

---So there is in-company competition.

I: Yes

T: Many salesmen to one customer is a style unique to us. We used to have more salesmen to one customer, by subdividing the territory. Men's had cap salesman and hats salesman, for example.

I: That's why the straightforward and positive approach is necessary. I go to the same customer as T-san does and so must compete with him in soliciting orders.

T: Some customers are not familiar with this type of approach.

---Are there many of such customers?

T: Yes. Every customer is surprised when he hears this for the first time.

---So you are a sort of independent businessman.

I: Yes, so you have to establish and register your character. I have to induce customer to think "this order must go to I-san"

---And you need some allies in the company that help you.

Y: Yes. It is the production area that makes the samples, as well as the final products.

---Samples should be especially important.

Y: Yes. It is what breaks the ice.

---And the speed.

Y: Yes. I don't want to give troubles to the production area but there are always urgent demands for samples. So with regard to the delivery date. Patterners are so glad when I get big orders for the samples they made in rush. When I fail, they would get angry. I think I am keeping a good communication with patterners

---Patterners endorse your statement. Big orders are rewarding for them.

Y: Conversely they would get upset when they don't get orders for the samples they elaborated in rush.

---How about your future objectives?

I: I am in charge of senior's hats and so my interest is absorbed too much by senior people, even walking on the street. Girls escape my attention (laughter). I have to broaden my mind and make myself improve.

T: My area is married ladies but recently also for young girls. In one way this is good but on the other hand this makes my attention too much dispersed and diluted. I have to try to focus better my attention to both age groups.

M: My area is licensed brands for ladies. The licensed items need approval by licensors which results in the need for more time, and less time for creative thinking. I have to improve my ability to think more creatively under the pressure of time. I have to look more, read more and learn more.

Y: Mine is senior men's but I want to broaden my territory to young men's. Hats are now used by senior gentlemen and very young boys, and there is very small market for young gentlemen. I want to make this small market bigger, and earn more.

---The small market for young gentlemen is a common problem for the hat business at

large?

Y: Yes. Hats are the final dots for total fashion. The market for 30's to 50's must grow bigger.

I: Also for ladies the market should grow, A hair-do with roll on the top is a problem for hats, for example, and some creative thinking is necessary to make hats more popular for ladies.

M: The fashion cycle of young ladies is fairly short, with regard to the hat, too.

---Do you wear hats when you go to customers?

Y: No, but I am always dressed up to be able to perform a model before the customers for the hats I sell.

---It's a sort of skill.

I: Yes, a lesson to me.

---Everyone has a technique of his own.

Y. Yeah, I made one of the secrets now public(laughter)

---Thank you very much.

Wholesale Distribution

H.Nagano(N) President, Man-U Ltd.

S. Matoba(M) President, Shinko Ltd.

A.Yahachi(Y) Managing Director, Ecclético

-----What is your observation on the change of hat business in these ten years?

M: So many makers have their factories overseas. Some go out of China to Vietnam and Indonesia.

N: Some Korean makers also have their factories in Vietnam.

Y: We must think about export. Japanese market is limited.

----How about the change in the domestic market?

N: Prices are down in many areas, whereas in fashionable areas like Ginza the prices go up with more luxurious items.

M: The prices had been declining until three years ago. Thereafter prices are up.

N: Those high price bracket items with four to five digits prices tend to go up. The majority of our clients sell in the three digits prices like Yen 780 or 980. There is a tremendous gap between those cheap price areas and luxurious markets.

----What type of retail are there other than department stores? Supermarkets?

M: Specialty shop for hats are decreasing in these ten years. There are apparel shops for younger generation carrying hats as well, and these shops are selling high-priced hats. The younger generation is not price sensitive. If a hat suits their taste they buy regardless of the price. This kind of market is growing in these ten years.

Y: Ladies are like that, too. They buy if the hats suit their taste. They don't buy what do not suit their taste no matter how cheap they are.

---So there are two segments, price-sensitive and quality/taste sensitive.

M: Yes. I think it applies to other garment items, too. A dipolarization. There is no "midway" segment.

N: I think the depolarization trend will continue.

M: While the hat shops are decreasing, the retail front of hats is broadening. There are garment or apparel shops, sundry shops, and other types of boutique, which carry hats in inventory. Shopping centers in suburbs and discount outlets also carry hats.

Y: So does jeans shops. Even at DIY shops.

M: At 10 cents stores, too.

Y: Surprising

M: They can buy cheap hats and caps from Asian countries. So when they hear that hats and caps are good sellers, they carry them in inventory. When the business is dull they just dump them off and get out. There is no business rule or morale.

N: All of this started when so called American casual caps were introduced. The west-coast fashion came into Japan, and those casual caps are adjustable free-size, so

carrying inventory does not need any professional knowhow. Casual caps are soft and flexible so they can be packed into slack spaces of containers of sundries or any items those shops import. The traditional hats were rigid and could not be transported in such a way. Nowadays everybody can be in the cap business.

M: Free size caps are penetrating in the youth market. 58 cm or so.

N: It is the trend of the time.

----So selling caps needs no professional knowledge today. If the size is too big it doesn't look nice, though. Isn't it?

N: Yes but they don't care. They sell and that's all. Caps used to be the part of life in old days starting from elementary school, but nowadays the young people come out of the college and suddenly pick up the habit of wearing caps. They are no more fastidious about how they look to others.

----They wear caps as one of the items in their total fashion.

M: Yes

N: It is not bad. They get married sooner or later and forget about caps. When they get older they might remember caps and may come back to caps or hats they used to wear in their younger days. We can expect such a "return-traffic". Of course this is a wishful thinking, though.

----How good Chuo has performed in these ten years?

N: The positive side is that we have invested much. We have hired many designers, created many models, and have been involved in fabric making, too. Without these efforts we could have been shoved out of the market.

Y: There are many examples of hat makers that went out of the business.

M: Yes, some got out of the business. There are others who went into marketing business. You at Chuo always stayed in the manufacture. You have established a solid production system and have a keen interest in new materials and designs, and maintain a good quality assurance system. You are reliable as our partner.

Y: What is what you don't like with us? High prices?

N: Yes. What we need is a sort of freedom of choice on our side in terms of prices. We need hats in cheaper price bracket sometimes for a certain sort of retail front. Another request is the delivery. We hope that your delivery time becomes by one month shorter.

----Staying in the manufacturing segment is a specialty in these days.

M: Yes, there are many makers who have their own boutiques or go directly to retail shops foregoing wholesalers like us. There used to exist an implicit rule. Now, no longer.

Y: We stick to the manufacture.

----How about the consumers response to hats Made in Japan and the imported? Do they have some idiosyncrasy?

N: Yes they do. They prefer Made in Japan. But today the imported are improving. Sometimes they are better in molding skill. They invest a lot to invade into this market,

especially the mass segment.

Y: That is what I feel, too.

N: So it is very important to maintain a high standard in the three basic techniques, that is, selecting the fabric, cutting and sewing. Chuo maintains it and therefore they can compete well against the imported. Who fails in this regard would lose against the invasion. I have a grave concern about Asian invaders. They have improved their quality. They can be bigger threats for us all.

-----Are Asians only threats that Japan faces?

N: Yes. Many European brands have their manufacturing facilities in Asia.

M: Yes

Y: I was about to buy a nice hat in Italy, but I saw Made in China mark inside. Similar experience in the US. Chinese hats are really good today.

M: Chuo keeps essential parts in domestic production facilities.

Y: When we source from China we send them pattern papers and everything else. When the samples come up we examine them and give them approval only when we are satisfied. When the production starts we send examiners to their factory and let them check every hat piece by piece. A perfect and rigid quality control.

N: Then nothing would happen, unlike what are happening now with some foods from China.

Y: No way. China ,however, is not omnipotent so when it comes to the hats of premium category we make them only in Japan.

M: But domestic production of Japanese hats are declining.

Y: Yes, very much so. But there are wholesalers who insist on Made in Japan. They all come to us to keep us enough busy.

-----Chuo is located in Osaka. Are there any specific areas where hats makers are concentrated?

N: Western Japan around Osaka, followed by Nagoya area, and then by Tokyo area.

Y: Okayama has some hat makers, too.

N: Shikoku also. Kasukabe close to Tokyo has also many hat makers.

-----Any specialty by district?

Y: Yes, each area has its own specialty.

N: That tendency was stronger in the past. Okayama was very famous for straw hats.

M: Anyway hat makers have larger concentration in the west. The eastern Japan's share is declining.

N: The makers in the west are more arduous in research and development, and that has made the difference.

----Chuo can continue to be strong because of the investment in research and development?

M: Chuo is the leader of the Japanese hat business. It used to be that in the past, and it will be so in the future, too.

Y: A big burden(laughter)

---Any joint activities of hat makers to promote hats in Japanese market.

N: We do, but our strength is limited so we cannot make a big noise. The promotional activities are confined in districts, like Osaka, Nagoya and Tokyo. There are no activities across the nation.

---You would have to promote the habit of wearing hat.

Y: Yes. When I visited Germany I was impressed by the number of people who wear hats.

N: Germany is cold.

M: In Sugamo where is crowded by many old people, hats are very popular.

Y: Are there hat shops in Sugamo

M: Most shops sell hats. I am reassured by seeing the hat-wearing crowd at Sugamo(laughter)

M: Sugamo after all is Champs Elysees of the old people.

Y: In sunny and hot season hats are requisites

M: Yes, it cuts UV radiation so hat business is a sort of health-care business.

Y: We made hats with a fabric that contained Vitamin C. There was underwear by the same concept. Ours was a failure(laughter).

----Collagen may be better for ladies.

Y: We made collagen hats, too.

N: Supplements from your skull(laughter). There are many hats that claim UV-cut. Some of them are dubious.

Y. Ours have certificate with data. UV-cut is an essential claim for ladies summer hats. Without that they don't sell.

N: Hats are essentially anti-UV,

Y. True

N: So you must sell hats combined with cosmetics.

M: Hats are weak against reflection from the ground, though.

N: We then must invent hats with UV-cut foundation.

Y: We try everything that seems good. We just ring up fabric makers and ask for samples.

---So you go after the novelty.

M: We always have to be alert for something new.

N: That is the investment for the future.

Y. We not only ring up the fabric makers but also go there and talk. We ask them to weave with our specifications of warp and woof. We also specify the type of yarns to be used. We get involved that deep. Otherwise we cannot survive in this vibrant market.

---How about the circumstances of the hat industry?

N: Until 1980's schoolboy's caps were good business, and so was school uniforms, school athletic wears and shoes. These are gone. The absolute consumption volume is declining

for caps and those items as mentioned now. The same can be said in mass merchandising. Once supermarkets were at the peak of prosperity. Now Daiei, the nations largest supermarket chain is going down. But small retail shops are also losing their business. Talking about the market itself, the eastern Japan is really the core. Tokyo and its surrounding, plus Niigata, Yamanashi, Shizuoka and Fukushima are making a big business sphere of some 50 million people, so a half of the nation's population is within 400km radius of Tokyo circle. The rest 50 Million is littered all over Japan. Even the Osaka circle does not reach 10 Million. Tokyo is one and single winner. So you cannot judge the Japanese market by looking at department stores in central Tokyo.

M: Metropolitan Tokyo alone has some 12 Million

N: Plus Yokohama area would make a huge market.

Y: Yes, Tokyo is the core of Japanese consumption. So many department stores.

N: Mitukoshi, Takashimaya, Matsuya, Mastuzakaya Daimaru Hankyu, Seibu, and Marui.

M: So there are allies of the department stores. Mitsukoshi and Isetan are now bound in one group, and so are Daimaru and Matsuzakaya, and so are Sogo and Seibu. What the future will be needs to be watched.

Y: Tokyo is overwhelming. Especially in comparison with Osaka. There are always big crowd in almost every department, and they sell ladies goods always in the ground floor for easy access.

M: Consumption is in Tokyo sphere and production is in Osaka sphere. There are no more traditional makers in Tokyo area. Very few craftsmen. There will be less makers in Tokyo area in future.

N: We are in selling business in Tokyo.

Y: In Osaka area there are less makers.

N: Yes, the production center moved abroad.

M: Mass merchandisers are going out to China to run their own manufacturing facilities. They will buy less and less domestically.

Y: That's why we must always upgrade our quality. I am glad to see some return current to Made in Japan. There is a tendency of this return current not only in hats but in other items which touch your skin.

---More changes to come.

M: More changes in production and distribution in the coming 10 years,

N: Yes, changes will be permanent.

----Thank you very much everybody.

Weave Toshi

Tarada(T)

Yoshizawa(Y)

T: You are a pioneer in the new hat/cap business. Now there are many emulators but when you started you were very new. Hats/caps had been sold before you at Department stores and hat shops. They were not very active and the market was declining. You appeared like a comet and induced the younger generation into the habit of wearing caps and hats.

----When did you start hat/cap business?

Y: Almost 15 years ago. It was a small shop of 80 square feet selling ladies hats. I started importing the sport cap as an American casual item. Nobody else was selling so everybody came to my shop and I had a god business. NHK(Japanese Governmental Broadcasting) was starting live broadcasting of American sport games, showing the players and managers wearing caps. I saw it on TV and ordered those caps and sold them. Michael Jordan was a big character then and he made Nike famous. I sold two million yen a day in my small shop. Of course there were a lot of people copying me and the market was flooded.

----Then the basket ball was the igniter of the boom?

Y: No, it was Michael Jordan rather than the basket ball itself. He was a charisma. Even in the Olympic there was so called "dream team" with him as the top star.

T: A peak time for the cap business.

Y: American caps. Once every kid was wearing Giants cap. Then all of sudden it changed into Nike.

T: Tigers cap is most popular.

Y: Yes, Tigers is more popular than Giants nowadays.

T: Baseball team must be strong anyhow.

Y: Not necessarily. There must be a sort of festive character to the team. Tigers has it, and Giants does not.

----No boom without festive mood?

Y. Never. What a boom needs are festive mood or a charisma. When I opened a second shop at Harajuku, it was Ayumi Hamazaki and Hide that did wear our caps and ignited the boom. They were appearing on TV with our caps and audiences were crazy to find out where they bought them. They found out my Harajuku shop and I sold in that very small shop 58 Million a month. The crowd was too big and they hardly could get into my tiny shop.

----58 Million with caps is a tremendous figure.

Y: Yes, so everybody else came into this segment. Wholele people, hat shops of western Japan, and so forth. They opened retails shops but soon started to manufacture by

themselves This was about seven years ago.

----Sop that was the turning point of cap business.

Y: Yes. The traditional style of wholesale and retail was destroyed.

T: The wholesalers were taking care of risks of unsold and returned. They do not do that any longer. Therefore, the retailers have to walk on their own way, including manufacturing by themselves.

Y: Hat/ cap business used to be on so called consignment basis. The unsold item were returned to the wholesalers. When the market declines, this system collapses.

T: Especially in department stores they need attending staffs coming from wholesalers, and when the sales declines the wholesalers cannot afford to absorb wages for those attendant staffs, and thus the show windows become narrower for fewer staffs and the sales further declines,

Y: Yes. Wholesalers send people to the Department stores, and replenish the inventory. This system became an unprofitable business style because of the market decline.

--You started a new movement under these circumstances.

Y: The hat retailers were selling the same style and color every year with minor modifications. What I started was to sell completely different things each year. The so called consignment system does not in my system, because the unsold items become obsolete and something entirely different comes out next year. So you cannot carry over the unsold to the next year for resale with minor modifications.

----Fashion business works on your system. So hat/cap business was not doing as fashion industry.

Y. True. The hat/cap business was similar to the uniform business. Military or police uniform does not change every year.

T: Cap users were senior, from 60's to 80's. But Y-san changed it and offered caps to teenagers and 20's. Your Harajuku shop was just in the midst of Mecca of the young people.

Y: There was no cap shop in Harajuku. I opened a shop with the appeal that "Caps are apparel for your heads" Every year I introduced fancy designs and colors that you cannot find in traditional caps. Harajuku is also a nest of so called Charisma hair stylists who have many shops in this area, and they wore our caps, which in turn became walking ads for our caps. This ignited the boom of Cowboy hats, too.

T: 5 to 6 years ago we had a big business with Lacoste and Munsingwear which we had been representing in Japan.

----What is the story?

Y: One point appliqué was a small boom in used clothes market. I thought such can be applied to caps. Then I made a success.

T: Yes, a very big success. We were doing Lacoste and Munsingwear and Y-san was doing Arnold Palmer. These were big three of one-point appliqué for clothes. So we applied them to caps and the boom was born.

Y: Messrs. Lacoste hired Monsieur LeMer, a cloth designer. This has changed the sport clothes into fashion clothes. You could now walk on the street with sport clothes.

---So the key word is fashion

Y: Caps as fashion for youth. This is unique to Japan. Japan has become the leader of the youth fashion. The caps had been there but now they were repositioned as fashion items. Market in other countries keep watching the trend of our market.

So the buyers in cap business in China, Honkong, Taiwan and Singapore come to Japan to buy. Japanese pop singers with caps are popular in various media in their countries and they buy those caps. They buy per capita 200 to 300 thousands yen. The same thing I did years ago going to the USA. The history repeats itself. I sometimes wonder how they can do sell those caps in their country because they buy here at Japanese retail prices which are very expensive. But Made in Japan has its own charismatic aura. Japanese caps sell there anyway no matter how expensive they may be. I am often asked to have some Japanese logo on the cap instead of western alphabets.

T:Wholesale also tell me that buyers from Korea, China and Taiwan come and buy a lot of caps in cash. We all have to think about seling abroad.

Y: Yes. Otherwise we are facing the dead end. The Japanese market is too small and there are so many people who copy what we make. Japanese quality is good and Made in Japan will have a good future in market overseas.

----What do you think about what is happening at manufacturers?

Y. Ours are all made in Japan but manufacturers in Tokyo were all gone. There are only one or two remaining Osaka, Shikoku and Kyushu still have a few. We cannot survive without markets overseas. We have a goo technique that foreign manufacturers cannot afford to have. We sew within the width of 5mm and in the center. They sew within the width of 10mm and not in the center. Therefore their caps lose the shape once wet and dried. Ours stay in the shape. They could not care less about the fine sewing because they can give shape with the mold. But once wet and dried their caps lose the shape.

T:Ours is a kind of art, with neat sewing and pitch. This is a part of the Japanese culture and mentality. We are located in Osaka and can still make a good quality. Please buy from us.

Y:Yes I know your quality but price is expensive(laughter). We have a dilemma. We want a good quality but do not want to pay a high price. You at Chuo make a good quality and many foreign famous brands license you. I know that.

T: I see the difference between our own creations and what foreign famous designers create. We think only about mass sales but they start from image. We learn a lot from their creations, though with some reservation from business-oriented point of view.

How many designers do you have, Y-san?

Y: Sixteen

T: Ever designer has his own way. Creativity is of importance and I can well understand

their mentality.

Y: At one time there were no young people in hat industry. Grandpas and grandmas only were there. But Chuo was different and had a lot of young people. I thought it was very unique. Any industry will decay when it is occupied by aged people only.

----Why so many young people at Chuo?

T: Because we are located at the center of Osaka. If off the center younger people do not come to work. You also jumped into the market of young people by your Harajuku shop. So, the location is important. We can attract young people because we are at the center of a big city. When located at periphery areas then aged people from suburbia come to work.

---So the location is important not only for a shop but for a factory, too.

Y: Yes I think so, too. Because young people goes for entertainment after the work, so if the factory is not close to the entertainment center it has no appeal to young people. The young workers want to go to movie or live house, buy CD and so forth. The company which cannot attract young people cannot survive. Those young workers may quit and go to other company but to be a supplier of skilled young working force to the industry is a gold medal of a good company. Many talents working in the head-gear industry came out of Chuo, and Chuo is great in contributing to and maintaining the head-gear industry itself.

-----In which areas do you observe new trend?

Y: Golf. By many women professional golfersthe trend is created. There are many ladies who want to play golf with cool caps, not with typical golf caps or sun-shades. We see many women in golf coursewearing street caps.

T: A big influence is there by professional women golfers. They are good looking, too. Momoko Ueda for example is decorating her hands with fancy nail art.

Y: She wears my caps. In the course she cannot do that because she is bound by contract with her sponsors.

T: If there are more changes in golf wear then there will be broader diffusion of your caps. The golf wear is now too sporty and notmuch fashionable.

Y: Yeah, I think the golf wear should be more sexy. In tennis there is sexy garment. Golf is a more expensive game so the golf garment can be more expensive. What are sold now are all cheap stuffs.

T: Yes. It must be over 5,000 yen in retail.

Y: At that price I can make a much better one.

---Anything else?

Y: Bicycle. I think we must start designing garments for cycling. Bike commutation to office is now trendy, and expensive bikes make a good business. Riding such bikes demands expensive and cool wears and caps. Mr.Imawano(a famous rock'n roller) is our customer and he had a bike that cost several million yens. This was stolen and it was a big news on TV. Riding those expensive bikes require matching wears and caps.

T: Golf or bike or whatever comes and goes, but in general those sports have become very expensive.

Y: Headgears and festive occasions are closely combined, See Derby hats in England.

T: Noble classes wear fancy hats at Derby.

Y: Yes at Derby they show off very fancy hats. A good business for hat makers. I wish we had similar occasion in Japan, too. Last night I went to a jam session and saw every member was wearing hat. A hat is a must in such an occasion. In summer music festivals we sponsor hat selling stands which make good business. The organizer asked me to make cool hats regardless of the price. They believe that cheap hats and caps spoil the atmosphere. They want to make the festival the place where cool people come and gather. I am so glad to hear this kind of opinion.

T: Soft hats are now worn by young people without hesitation, though they were regarded as snobbish. Today there are almost no artists that do not wear hat or cap.

Y: The head-gear has become so important as a mean of self-manifestation. So I hate to see cheap hats and caps that are made by those who copy mine, which spoil this new culture

T: We also have experiences that our creation with big effort is copied by China once it makes a success.

Y: Yes, so our creation does always live very short. Without Chinese copies they can live much longer.

T: Nevertheless we cannot involve ourselves in the price-war. That way we can ruin the reputation to our brands overnight. We must continue to enrich our brand image by sticking to the quality products.

Y: We are getting into the modern art world. We have displayed some caps of our creation at Tokyu Bunkamura, and they got attention of the Governor of Modern Art Museum in Moscow who asked me to send 500 caps to the museum for their shop.

When we extend our market there is always such new chances.

-----Caps for museum. That is something quite new.

Y: The fabric of the caps have motifs of modern art. This is our creation and this should have attracted the attention of the Governor.

----So there are always some new movements.

Y: This year sun-glasses are in fashion. Sun glasses are combined with caps. This is trendy. Movie and TV artists are propagators of the trend. Then it diffuses. Contemporary young girls wear wigs and then caps. Caps are the centers of total coordinates. This way caps have the new road for the future. People today wear caps in the way that I have never imagined. This gives stimulus to our industry. In order to catch the trend and create something new we have to hire good designers. Making copies only cannot create a new trend and culture.

Japanese caps are getting attention in USA and Europe, and many media pick up our caps. I want to make a shop in New York but has not been able to do so yet because it

needs at least 100 Million yen. But I think I must do that quick. There are very few cap makers in USA that can make this type of cool caps. They have expensive and cheap caps but nothing in the middle price bracket. What we are making is that type and if we sell them in America and Europe it will make a big hit. The question is money. We are selling only three billion yen a year and cannot afford to invest a 100 Million for a shop in New York.

T: Then we at Chuo may invest a 100 Million(laughter)

Y: There is now a chance that Japanese caps are accepted abroad. There are some wholesalers who are selling to the retailers overseas.

T: The key is to make what is wanted.

Y: I know what a cap tells me when I touch it. It creates atmosphere. Acap can change the atmosphere. People can have god time in that atmosphere. I want to continue making such caps.

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Four Executives Meet Together

K: R.Kurihara(President, Kurihara K.K)

S: Y.Shigematsu, President, Shigematsu K.K.)

N: K.Nishii(President, Chuo Boshi)

Y: A.Yahachi(Managing Director, Eccletico)

N: I hope that this book will serve as a reference for future readers. I do not want that this book works as a propaganda of my company. The previous book on the 50th anniversary was published with the same policy. Each chapters are independent, and they will be working together to create an image of my company in the mind of readers. In this way I avoided to define what Chuo Boshi is. I have left it to the readers judgments. I want to make this publication to be a milestone in the history of hat and cap makers. I will publish, beside Japanese version, English, French and German versions, and donate them to the libraries of colleges with the faculty of fashion.

I have set up this group discussion for talking about the future, rather than for talking about the past of my company. . Please feel free to express your opinion about the future of hat and cap business.

-----This is a rare occasion where top personalities in the hat and cap business sit together. You all have succeeded your businesses from your fathers. Please feel free to talk as the second runners.

N: Do you have frustration for the present status of your business, or hopes for the future?

S: Of course I hope that my company grows bigger tann it is today. As for the industry itself, the problem are the new entries from other business into our industry. My company is suffering from this.

-----Who are the new entrants?

S: Sundries mechants, so to speak. They buy in China and Korea at cheap prices and sell in Japan.We were ignorant of such a business style. We have been complacent.thinking that hat and cap business is a special business that requires knowhow and skill, and therefore insulated. They are now giving us a hard time, and on my part I want to give them a hard time in return.

K: There has been a lot of changes in these ten years in our industry. My father used to say that hat and cap business is well insulated against new entrants. But when I succeeded the business I saw so many new entries. But his may mean that hat and cap industry has become an attractive zone for outsiders to get in..

N: Yes, we have been complacent, perhaps.

S: Indeed. So we were saying nobody else would get in.

N: My father was saying the same thing. K-san and I have been both in the clothing business, and from that field, the hat and cap business appeared something very special,

something hard to understand. Don't you think so, K-san?

K: Yes. The weak point of an insulated business is the blindness to the outside. We do not care much for guarding our business from the attacks from outside. It is like Japan in the 18th century. When we do marketing research in department stores we survey hat and cap counters only. The people in clothing industry survey more broadly, because they regard hat and cap as a segment of the total clothing. From those people the hat and cap business had a very low barrier for the entry.

N: We do market research monthly but only in hat/cap sector as you say.

K: We tend to think that consumers come to look around and buy hat/cap, but they have options of buying shoes, scarves, or buying nothing at all. We must think about the way how to get their ten thousand yen note spent for hat and cap. But what we think now is how to compete with other hat/cap maker. Our sight is confined within the hat/cap market only. We must look around broader market.

N: True. Hat/cap does not always sell. Clothes may sell every year but hat and cap may not.

K: Right.

Y: Fluctuates every year.

N: Why did those outsiders come into hat and cap market and are making success, I don't know. Do you know Y-san?

Y: They have fresh eyes and brains. They use colors that we have never thought of. They grasp the trend of the time.

N: They are not obsessed by old ideas or prejudices.

Y: And they sell hat and cap everywhere. Jeans shops and clothing stores.

K: Big clothing companies sell a lot of hat and caps now.

Y: Yes.

K: I once inquired Wxxx Company and found out that they were selling two million hats and caps a year. That is tremendous and shocking.

Y: Really? That's surprising. That's more than Ito-Yokado.

N: They don't have bias or obsession, as K-san said a few minutes ago. They do not make special heavy effort to sell hat and cap. They happen to sell hat and cap and that's all. What can we do to roll back against these nonchalant but formidable competitors?

S: I don't know if we can roll back, but I think it is difficult for us to do the business in the way they do. They disregard the old relationships with wholesalers because they don't have such relationships as we do. So they can sell anywhere.

N: The recent change in hat and cap market did start when the younger generations did become the mainstay of the market. We were selling them short and thought that it was a fad. But we were wrong. The younger generations are the key to the present and future of our business

In these ten to fifteen years where there were a lot of change, you were successful in making your business grow. The key to that success, I think, was that you started

selling at retail. We are all different in business style. We at Chuo are manufacturers. K-san is a retailer, and S-san does the both of wholesale and retail. We conduct our business, however, in a similar way, in trying to get into the segments outside the boundary of the traditional hat and cap market. What did trigger such attempts in your companies?

K: I quit a clothing company and succeeded this business. When I quit I told my colleagues that I was going to hat and cap business, and they were asking me if I could make enough money out of it to maintain my life.

Everyone: (Laughter)

K: At the same time they were asking me where the hats and caps are sold. We in the hat and cap business know that they are sold at department stores at least but they do not know where to buy hats and caps. So I thought we must provide some hat and cap shops for them where they can come and buy.

Another reason why I went into the retail was tied with disappearance of hat and cap shops in town. There used to exist a lot of hat and cap shops but they changed into clothing and sundries boutiques. My father was always complaining about this. Since hat and cap shops disappeared, department stores and supermarkets started selling hats and caps. We must reverse the situation. We must create hat and cap shops in a different style, fit to the contemporary taste. I found out that having such shops give us the place to communicate directly with consumers. This was a new funding with a large significance. To have a retail front is great, because we can touch and feel the consumers mind. Of course we cannot cover the whole area of Japan, but having a few is already very rewarding. I will pursue this avenue of thinking and go further.

N: What did support the growth of Shigamtsu, S-san?

S: It was the desire of our CEO, to broaden the market of hats and caps. It means we must sell at cheaper prices for broader consumers segment. Some 15 to 20 years ago we pioneered in discount sale of hats and caps. We buy cheaper and sell cheaper, in order to facilitate the diffusion of the habit to wear hat and cap.

N: That is against the traditional business style. Shigematsu revolutionized the hat and cap business style. If Shigematsu had not done it, some supermarkets would have done it, but you have preempted them. What are your future objectives? I sometimes wonder why I am doing this, and why I am striving to make the business bigger. What does support your daily motivation, S-san?

S. One is the happiness of our employees. Another is the dream that I have about hats and caps.

N: What is that dream?

S. I don't know if it would ever come true, but I dream that my factory becomes the best

in the world. As a manufacturer, it must be the aim.

-----K-san was placing emphasis on selling and distribution but S-san's emphasis is on the manufacture.

S: Yes. I want to make something better.

N: Is it not because you get some bad influence from us, S-san?(Laughter)

S: Traditional companies that have survived till now have capability to assure a good quality. Poor quality and easy-going discount business tend to ruin the basis of the business and I want to be careful.

N: In our attitude you Shigematsu and we Chuo have a lot in common. How about you K-san? You cut off the manufacturing area at an early stage of the game and it was a big decision. How do you evaluate it?

K: I was not sure whether I was right, at least for a couple of years. I was in doubt. To have our legs in manufacture appeared a good idea at one moment, but at the next moment I was intrigued by the idea of covering both of the manufacture and distribution. I finally realized that I would not be able to do everything, and so I made the decision to concentrate.

-----How far do you handle selling and distribution, S-san?

S: A few retail shops only. We are manufacturers so that we sell to the wholesalers. We cannot go over the heads of wholesalers direct to the retailers. Our basics are the manufacture. The only reason why we have a few retail shops is to collect informations direct from consumers, which do not come to us very often or very soon through wholesalers. These shops serve as the test benches for new products. They are therefore solely so-called antenna shops.

N: Direct information from the sales front is of utmost importance, whether it is hat and cap business or the clothing.

K: Yes. We sell through wholesalers and buyers and information comes back via those route. Then there are many filters and opinions of those filters are mixed with the raw information. This way the information is contaminated and becomes sometimes useless, or at least late and stale. Direct information from the retail front is of great help.

N: Do you believe in such a business style where wholesalers manufacture by themselves and set the trend?

S: I think that the wholesalers must do it. But it is not done or less and less wholesalers do it. It is true that everything should start from consumers. This is the basic. But it is often misunderstood and one tends to wait taking no actions until something comes from consumers. The wholesalers should not sit and wait but should take initiative in creating new needs and demands in the consumers' segment.

N: S-san has a big factory and you cannot wait because you have to plan in advance and start making.

S: Yes, that's right.

N: So you take initiative in creating the demand and sent the trend.

S: Yes, But we tend to make mediocre products by this business cycle. We cannot make the factory sit there without operating. So we turn the machine and make products for the next season. But what kind of products? Then we tend to select “sure-to-sell” items. We do not make adventures. We avoid risks. “Sure-to-sell” products do sell, but they do not create a new trend. So the mediocrity prevails.

N: You select those which sold in the past, and thus get captured by the past.

S: Yes.

N: Consumers seem buying more through internet, rather than going to the shop. They spend money in internet purchasing and cell phones. I think there will be more of internet sales of hats and caps in the future.

K: I don't think so. In clothing internet sales, the return ratio is more than ten. Hats and caps cannot be adjusted after the purchase and they just return if they don't fit. Web purchasers who are experienced well tend to order a lot of products, and keep whatever they like and return all the rest. If everybody starts this, the return ratio becomes tremendous. Anybody gets into this kind of business will suffer very much.

S: But younger generation has less resistance in buying through internet. We insist on trying first and buy, but they are accustomed in buying without trial.

K: We have been selling in those retail segment outside the hat and cap sphere, such as jeans shops, sport gear stores, and the like, Their customers buy not because they like them after trial, but because some TV stars wear it. They buy merely because they feel like buying and not because they have confirmed the quality and design by trial. The price is not expensive enough to work adversely against that kind of casual purchase action. Internet selling will be able to penetrate into that kind of buyers.

---What kind of atmosphere do your shops maintain, S-san and K-san?

N: When I watch K-san's shop I am impressed by the behavior of the sales staff. They are good partner of conversation for clients and do not impose upon them. This is very good and new. The shops with imposing sales staff have very little appeal to repeaters.

K: I train the sales staff telling them that they should not always pursue the success of sale. I don't tell them stop selling, but tell them that it is OK if they cannot sell. The guests are looking for the information and want to find out the way they dress with hats and caps. So I welcome those guests who touch and try. Because they would come back again and again to touch and try, which eventually would result in purchase. They are not buying products like clothes or hats and caps. They buy occasions. They may have parties or trips and imagine them wearing those hats and caps or clothes on those occasions. So our sales staff must make those guests imagine how they would look nice with our hats and caps. This means that the rationale for the purchase action for a customer is not because she or he is persuaded by the design, quality or the price, but because she or he is satisfied by her or his image with those hats and caps on the occasions that she or he would participate. Not many retail fronts have been successful

in doing the business this way. A scene making or agitation of the imagination is easy in clothing business. There are tailor dummies and plaster figures, and if we put on clothes on them, and may be with a suit-vase in hand, we can create a scene of small trip. I myself was doing such show-window direction when I worked in clothing business. The hats and caps are different and difficult. We cannot create a scene very easily. What I wanted to try in our own shops is such a scene-making merchandising.

N: Listening to that makes me realize what K-san is trying. How about you, Ssan?

S. Some duplications are there with what K-san has just said. In our shops there are so many hats and caps displayed, in order to offer an entertainment to guests. They are welcome to try and play and chat. It is a place of playing, a place of joy and pastime. And when they happen to find something they really want to have, they can buy it. An interesting hat or cap is not always a selling hat or cap. They try the interesting cap and that is the end. They do not buy it. But if that interesting caht or cap has amused the people, that hat or cap has done its job to attract the people and entertain them. So our shop is the space for fancy, the space for dreams. Dreams cannot feed us but without dreams it is no fun to do business.

N: We are living in the age of abundance so it will be growingly important where to buy and how to buy.

S. I was telling to one of our sales staffs that we must not seek for needs alone. Rather we must seek for wants, or something beyond the needs. This is true in this age of affluence. If someone needs something, it is already in the chest. So we must seek for his or her wants in order to let them buy what we offer. How we make the products that fit their wants is very important.

N:What do you want to do other than business?

S: Personally?

N: Do you want to exceed your father?

S: Yes. But what is the criterion for such exceeding remains to be seen. It is what other people judge, not I.

N; Exceed in a different way?.

S. Yes. To exceed him in the same way as he did is impossible. I want to do it in my way.

N: My father retired moiré than ten years ago but there are many who think that Chuo Boshi is still on the track that he laid out. I am content with whatever they would think(laughter). As a matter of fact we are on a different track and have gone, may be too far. How do you think, K-san? Do you also think that you want to exceed your father? Or you have exceeded already?

K: No, no, not at all. I have never thought about such a thing, as exceeding the father.

N: Because you are on a different track>

K: May be on the same track because after all we are the father and the son. Ours was started by the grandfather and has come down though my uncle and father and

currently to me. But we all have different roles. The business changes, the market changes, and everything changes as well. So it cannot be simply said whether I want to exceed the grandfather.

N: Does your personal future coincide with the goal of the company?

K: Honestly speaking, not very much. I want to pass down this company to the next generation rather than to have it grown much bigger.

When I was a high school boy I attended the funeral of my father and I was impressed by the size of the ceremony and size of the business we had been doing, and I was impressed by so many people working assisting the ceremony.

I was feeling that they were supporting our business and it was not my grandfather or father. It was an organization that was supported by them and my ancestors were eating bread together with those people and by their help and support. My role as the president is to make the firm basement for such mutual help and support and bread-sharing and it is my duty to guide them. So in that context the goal of the company and my dream are something on different tracks.

N: I understand very well. If you understand it too well you will become a man like me(laughter). How about you, S-san,

S: The way that my father was driving the business is somewhat out of fashion now. He may be angry hearing this but it is true. Understanding this and making the business grow further in the light of the new age is my role. I don't know if I can do it and what my father did accomplish is great. But I think that there is something that only I can accomplish, which may supplement what he did.

N: I see. What do you think S-san, about passing down the business to the next generation, as K-san said.

S: I have not yet thought about it. I am focusing on steering the business that I inherited.

N: I feel about the role of myself as the man who makes the set-up. I am doing the business in such a way that the people in distant future, some 200 years from now, look back and evaluate.

----You all have succeeded your business so that you must have many things in common. How about you, N-san, with regard to the personal dream and the goal of the company. Did you have a hard time to reconcile them?

N:Yes. They are quite different. But in these days I am not thinking of that very much.

----You all sound different in your approach to this problem.

N: Approaches are different, and generation is also different. Changing the subject, what do you want to do in ten years, such as conquering the market, K-san?

K: I was frustrated by the lack of social status of hat-makers. I was asked by my friends if I could feed myself in hat business, and was angry when I was asked by the parents of my wife whether I could sustain the family being in hat business.

Everybody:)laughter)

K. That denotes the fact that how low the social status of hat business is. If the president was disregarded as such, how would it be about the employees? If they meet the parents of their future wives, would they be the target of disregard and anxiety? I want to make the social status of hat-makers higher. I want that our employees would be proud of being hat-men.

N:When I meet people at drinking places I introduce myself as a hat-maker, and they show sympathy'laughter). What is your future objective, S-san?

S; Being thanked by someone is the largest reward for a manufacturer. Good samples and products are targets for those thanks and I want to continue making them in an orthodox way. I like making things and good things have their own special aura. I seldom succeed but an excitement when good things are born is a truly rewarding moment. I want to continue to pursue making the good things.

Postscript

Variety is marching.

I had written the preface for the 50th Anniversary publication before I had the opportunity to read articles by other contributors. This time I am writing this postscript after I have read what other people have written.

This means that I was writing the preface with the conjecture as to what would be written, and I am writing the postscript with the understanding of what have been written.

Chuo Boshi as of today has grown to a company where everyone knows what to do without being told what to do. Our people are taking it for granted. Looking back the time when the 50th Anniversary publication was printed, this was something that could not be taken for granted.

I want to remain an “anarchic entrepreneur” and hate mannerism. In this sense I am a little bit heretic. But I feel that in these days I need not to lead the company waving to our people to do the things in creative ways. I no more need to be fastidious about what to do. They all face and define the problems with an aggressiveness, and continue to reform themselves.

Chuo Boshi and Eccletico appear to me like a conglomeration of many cells or bubbles. I hope that it will continue to be a community of many wills. My job is to understand from this conglomeration from which point it has grown to the current status and in which direction it is going,

So it can be defined as an “ununified march of a variety” The largest obstacle in the path of this march, as I see it in my private moments, will be “the sanity or commonsense of the top management” Saying like this easy. Doing like this is very difficult. This management style is a kind of art that cannot be easily transferred to a person who succeeds me. I try to reform myself everyday denying my yesterday.

I have no ideal as to what Chuo Boshi should be. I only hope that it would always be a flexible community to fit to a desirable form at a given moment and continues to evolve. I hope that that the individual property of every employee would remain to be respected and all of them would be aggressive. Since I hope too much, my everyday life is full of contradiction.

One of the job description of the top management is to think. So, I am always careful about thinking too much. There have happened many things since the publication of the 50th Anniversary book. There will be more waiting for us. I only want to continue doing a good job. Thank you very much. Please continue to help and guide me.

Kenji Nishii