



**NPO ETIC.** (Entrepreneurial Training for Innovative Communities)

Established in 1993, Incorporated in March, 2000

**Board of Directors:**

Executive Director: **Haruo Miyagi** (Founder & CEO, ETIC.)

Director: **Harue Ishikawa** (Representative Director, NPO Care Center Yawaragi)

Director: **Taizo Son** (Chief Executive, Mistletoe Inc.)

Director: **Oki Matsumoto** (Managing Director & Chairman, Monex Group, Inc.)

Director: **Atsuko Suzuki** (Secretary General, ETIC.)

Director: **Koji Yamauchi** (Managing Director, ETIC.)

Auditor: **Tetsuro Higuchi** (Higuchi Accounting Office)

Number of Staff: **80** (full-time: 48) \*as of January, 2016

APPLE OHMI Bldg. 4F, 1-5-7, Jinnan, Shibuya-ku, Tokyo  
TEL:03-5784-2115 / e-Mail:info@etic.or.jp

<http://www.etic.or.jp/>  

Special  
Cooperation:  **JAPAN**  
SOCIETY

 **JAPAN EARTHQUAKE  
RELIEF FUND**  
東日本大震災支援金  
[WWW.JAPANSOCIETY.ORG/  
EARTHQUAKE](http://WWW.JAPANSOCIETY.ORG/EARTHQUAKE)

Sponsors:

 **Mitsubishi  
Corporation**

 **KPMG**

Design:sai company  
Photo:Tsuyoshi Wada

# THE ***ROAD TO 2021***



**Local ventures are  
creating new communities  
and local economies  
in Tohoku**

Case Studies on Local Ventures

**SESSIONABLE**  
YOSUKE KAJIYA







**We aspire to sell guitars made in Japan to Southeast Asia. Our first goal is sales of ¥500 million.**

Case Studies on Local Ventures

**SESSIONABLE**  
YOSUKE KAJIYA

Left: Yosuke Kajiya, President & CEO, Sessionable. Right: Hideaki Yamaguchi, CPA and Miguide fellow. Yamaguchi works for Sessionable and is an aspiring entrepreneur.

**Yosuke Kajiya, the top sales representative at a major music instrument store in Ochanomizu and a successful pioneer in creating video content to promote guitars, left Tokyo to start a business in Tohoku. His targets are markets in Southeast Asia.**

#### Producing 150 guitars per month in Onagawa

In February 2016, a new workshop will open on the shopping street in front of Onagawa station in Miyagi. The owner is Yosuke Kajiya (32). Originally from Tanegashima Island, Kajiya was the top sales clerk at a major music instrument store in Ochanomizu, but left Tokyo to start a guitar workshop in Tohoku. "The size of the domestic market for guitars is approximately ¥30 billion. I want to sell here, as well as compete in the booming Southeast Asian markets," says Kajiya with enthusiasm.

#### High quality guitars produced with shrine carpenter techniques

How to compete? Kajiya has carefully chosen his tactics. The guitars will be made of light, solid cedar from Sanriku using the techniques of carpenters who specialize in creating shrines

and temples; namely those of Kesen carpenters, whose techniques have been passed down in the area. "By using shrine carpenter techniques, which use no metal such as nails, the guitars will have a unique note. Differentiation is becoming the key in the world of guitars. I'm thinking of selling the guitars, made of domestic timber and with shrine carpenter techniques, for about ¥300,000 each." Kajiya, who knows the guitar market thoroughly, looks to the future.

#### Creating a new job alternative: guitar makers in Tohoku

Kajiya was working in a major music instrument store in Ochanomizu when the disaster occurred. Tapping into his network, he started inviting musicians to Tohoku to encourage those affected by the disaster. Already planning to start his own company after the age of 30, Kajiya shifted his thinking to



creating a business that would contribute to Tohoku recovery. "The reality is that one can seldom find a job as a guitar maker after graduating from vocational school. Since I announced publicly that I was opening up a workshop, numerous inquiries have come in. If I could create real opportunities for guitar makers, which did not exist in Onagawa until now, there would be a reason for young people to come to this town. We can also protect traditional regional techniques by passing down the techniques of shrine carpenters."

#### Why Onagawa?-Social get-togethers become "strategic meetings"

After an introduction to Onagawa through a connection, Kajiya went to talk about his business plan at the Mayor's office. At Kinkaro, a local Chinese restaurant, the mayor, town office staff, members of the tourism board and chamber of commerce, young business operators, NPO leaders, and others who were involved in rebuilding after the disaster gathered over drinks. "I was given the chance to explain my business there as well. They all said 'let's do it.' It turned out that the owner of Kinkaro restaurant had seen my videos, and we got along right away. It made me want to start up in this town."

#### I couldn't do it with such speed had it not been in Onagawa

Kajiya told us about an interesting encounter. "In fact, I hadn't prepared an official application to open a workshop on the shopping street. Someone said to me 'Why don't you open the workshop on the promenade (the shopping street in front of the train station)?' at a get-together, and I said 'Yes, I'd love to.' Before I knew it, the biggest space on the promenade had been assigned to me!" laughs Kajiya. People will run around to support those who want to do something. Such human relationships exist in Onagawa where it is easier to bring ideas to reality. Preparation at the workshop has been proceeding steadily - funding from banks has been successful and staff members hired. The first customer for the company's first guitar has also been decided. Serial number 1 (the first client) goes to the mayor!"

#### KAJIYA'S BIOGRAPHY

A top sales representative selling 100 guitars every month at a major music instrument store in Ochanomizu before leaving to start his own business, Kajiya started activities to support Tohoku with music and musical instruments after 3.11. He moved to Tohoku to be a part of the recovery with guitars. Kajiya currently resides in Onagawa, Miyagi.

#### ABOUT SESSIONABLE

Sessionable opened "Glide," a guitar shop specializing in Japan-made guitars, in Ichibancho, Aoba-ku, Sendai in November 2014. The company is planning to start the production of electric guitars in Onagawa, Miyagi in February 2016. Its goal is to contribute to employment, industry, and tourism in the town by producing attractive domestic guitars using timber and traditional techniques from Tohoku.



[1] Product development with Kesen carpenters is proceeding. [2] In get-togethers, heated discussions take place despite differences in age and position. [3] The guitar workshop in construction on the promenade: a promising new destination for tourism.



#### Becoming the town with the highest number of startups in the world

Yoshiaki Suda (Mayor of Onagawa)

Collaboration. That's what I cherish in my work. Social get-togethers are very important, new things begin from such occasions. At get-togethers, I'm not the mayor. I am there as a citizen, as Yoshiaki Suda. We discuss things such as what the private sector will work on, and what local government will take care of, and so on. Onagawa's tagline is "the town with the highest number of new startups in the world." In order to be the destination for startups, we need to have value as an area, as well as value as a receiving party. You can see the challenges regional areas of Japan will face in the future by looking at disaster-stricken areas. We're the pioneers in facing these challenges. I'd like our town to be seen as the one with possibilities. We are creating new value and possibilities for regional areas as we move on our own path into the future. That is our responsibility.



# WHY TOHOKU?

## Examples of startups in Tohoku

A town that was reduced to nothing.  
A town that had to start over.  
A town whose social structure was destroyed.  
There's plenty of open space here.  
There are many challenges, but also many friends.  
It's cold in winter,  
but the discussion can be heated.  
Outsiders and insiders  
are mixed together.  
The damage was large,  
but we cannot remain like this.  
We are filled with determination.



DAMBORGHINI



### CASE STUDY 02

From a town with the highest population decrease to a town with the highest number of new ventures

New ventures are springing up in Onagawa, Miyagi, including a Spanish tile atelier, soap factory, guitar workshop, fortified cardboard maker, craft beer shop, diving shop, and more. The owners are truly diverse: local housewife, young person returning to his hometown, former globetrotter, MBA graduate, among others.

I want to develop new dive sites out of the world's top three fishing spots.



I want to color Onagawa with these tiles.



There are many creative people coming to this town now.

### CASE STUDY 01

Reviving one of the best fashion streets in the Sanriku area

Maki Amano's main profession is architectural design. She started a restaurant specializing in home cuisine and game meat in a traditional house that is more than 100 years old. In the Spring, Amano plans to open "Hiyori Style," a lifestyle shop in Ishinomaki.



### CASE STUDY 05

Strawberry farming from Tohoku goes to India, the Middle East, and China

Agricultural production corporation GRA in Yamamoto, Miyagi drew people's attention with the Migaki-Ichigo strawberry: edible jewels that cost ¥1,000 each. GRA succeeded in standardizing an advanced cultivation technique with IT and expanded to India in its second year of operation. The company is cultivating the Japanese strawberry market and at the same time creating employment for people in poverty. GRA currently is preparing to expand its business to the Middle East, China and other parts of Asia.



### CASE STUDY 03

The 1st ROCK CORPS in Asia successfully invited to Fukushima

Kazuhide Oshida, who used to manage a bridal business in Tokyo, now runs multiple companies and non-profits mainly in Soma City. Oshida led the first Rock Corps in Asia for two consecutive years and attracted 8,000 volunteers to Fukushima. (ROCK CORPS is a worldwide campaign where people volunteer for four hours and are invited to a live concert.)

There are things I can do because I'm an outsider, and I cherish my outsider's view.



It's important that we bring back the beach as a place of excitement, where people can have a summer romance.



### CASE STUDY 06

From Debris to Bikinis

Shobutahama is an historic beach, established as the third swimming beach in Japan (the first in Tohoku) in 1888. Three thousand people attended the beach sports and music event called "From Debris to Bikinis," held for the third time this year. A beachfront café opens in April 2016 as the hub for making Shichirigahama, the smallest town in Tohoku, the No.1 beach resort in Tohoku.





# CITY OF STARTUPS NEW ORLEANS

New Orleans is a city of startups.  
The city is five years ahead of  
Tohoku in recovering from disaster.  
There are lessons learned for  
Tohoku's consideration for the next five years.

Hurricane Katrina,  
the worst natural disaster in the history of the U.S.,  
hit New Orleans, Louisiana in August, 2005.  
After 10 years, young people are returning and moving in,  
and the city was born anew as a city of startups.  
How can a city that was reduced to almost nothing  
and had to start over, just like Tohoku, be born again?  
There are clues to the reasons creative  
people flocked to New Orleans.

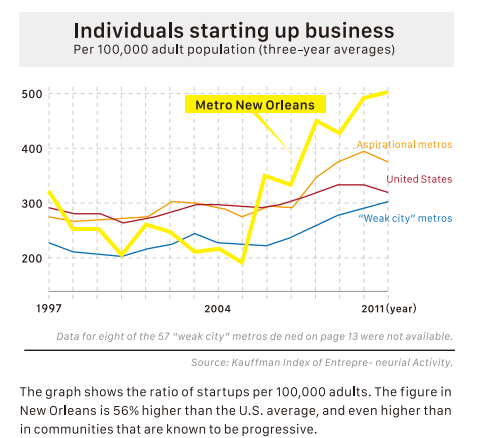


More than 10,000 people from all over the world visit during Entrepreneur Week, which takes place the last week of March every year. The Big Idea, a pitch contest, is held downtown on the last day, and many come to vote for entrepreneurs they want to support with chips that cost \$50 apiece.

## From Brain Drain to Brain Gain New Orleans attracts and welcomes talented young people.

Hurricane Katrina hit the southeastern part of the U.S. at the end of August in 2005. It was the worst natural disaster in the U.S. history, leaving 2,541 people either dead or missing and financial damage amounting to \$10 – 25 billion. Although the city is home to unique industries such as music, tourism, fisheries (Louisiana's fishing industry constituted 32% of fishery revenue in U.S.), and energy (natural gas and oil), New Orleans had been facing economic decline even before the disaster. In the four years leading up to 2000, 16,000 jobs (6.2% of all jobs) were lost, and population declined by 4.7% (23,000 people). At the same time, the rest of the country saw economic growth and population increases. Hurricane Katrina hit a city in stagnation.

It's been 10 years, and New Orleans transformed itself into one of the most outstanding cities for startups. Its ratio of entrepreneurs per 100,000 adults is 56% higher than the U.S. average. The key players were young people moving back or into New Orleans. The current population of the city is 380,000 (20% less than before Katrina), and many new people are moving in. The locals describe the changes in the past 10 years as "from brain drain to brain gain." This city is now known for welcoming talented young people.

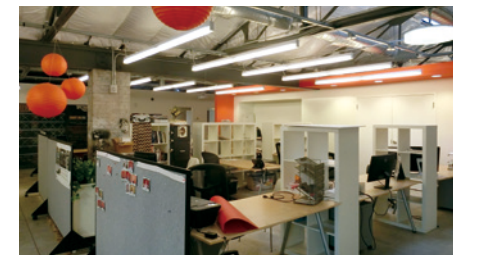


## The city is great for creating new ideas.

The city took a turn around the 5th year after the hurricane. With the message of "from recovery and rebuilding to renaissance," the city started actively investing in new ideas. To break away from its dependency on stagnating existing industries, the city researched and analyzed fields with the higher employment potential. After selecting five priority fields including digital media, healthcare/life science, and environmental industries, space was made in the then-rigid industrial structure to enable young people to try something new.

The ecosystem supporting entrepreneurs is also rich. Propeller, an incubation organization for social entrepreneurs, has attracted aspiring entrepreneurs in fields such as water resource management, healthcare, and education. There's also an incubation center with labs specializing in bio-innovation. A movement to support minority entrepreneurs is also starting. "There have been many talented people emerging in the last 10 years, but most startups are owned by white people. We'd like to fill the gap," says Leslie Jacobs, the founder of the New Orleans Startup Field.

A younger generation is also interested in starting their own businesses. Daniel Nguyen, a Vietnamese-American, was a high school student when Katrina hit the city. After working as an engineer in California and travelling around the U.S., he moved to New Orleans a few years ago to start working in agriculture with poor Vietnamese fishermen living in coastal areas. In a community in which more than 80% of inhabitants don't speak English, he provides training, funding required for farming, and cultivates sales routes. "This city has very advanced hubs and networks for promoting ideas," says Daniel.



Propeller's incubation office, a former warehouse, was renovated after the hurricane.



The New Orleans Startup Fund was established with \$200 million, including private capital from Leslie Jacobs. She wants to create a movement of successful people from the community who invest in new ideas and talent.



To ensure young people who move to New Orleans stay, much investment has been made in education. The number of charter schools (an initiative of citizens to create their own schools) increased from one before Katrina to 50 after.

## Business incubation that is engaged in correcting the life expectancy gap in New Orleans by raising ¥2.1 billion yen to attract the healthcare industry

### Broad Community Connections— Refresh Project

Jeffery Schwarz, originally from New Orleans, earned his M.A. in City Planning in 2008 from MIT. For his Master's thesis, he researched fresh food access before and after Hurricane Katrina. His research showed that in the Broad Street area, the average life expectancy of residents north and south of the street differed by 20%. Many food stores did not re-open after the hurricane and the poverty stricken area north of Broad Street became a food desert. Jeffery raised ¥2.1 billion, prepared the land, renovated a building, and secured the opening of an experimental low-cost version of Whole Foods Market, a chain known for gourmet organic products. Jeffery elevates his work with an integrated approach by partnering with a culinary center that provides cooking classes to promote better health, a local university to provide nutritional support, a job training organization to train those interested in working in restaurants, and venture companies that promote small-scale farming in private gardens.



Jeffery's initiatives led to the creation of 250+ new jobs in the area.



# CREATIVE ACTION IN TOHOKU

**Starting in Tohoku social experiments to create new regional communities and economies have begun.**

People are coming to Tohoku to create new value.  
Local people and outsiders are all mixed together.

Everywhere, projects are emerging and chemical reactions are happening.

This leads to

Work to make money in the community,  
Work to support life in the community, and  
Work to assist people trying something new.

We are seeing new types of regional communities and economies.

No one dictates this process.

If there are 1,000 communities, there are 1,000 ways.

Social experiments have already started.

## WORK

### 1

Work supporting people doing something new

## WORK

### 2

Work making money

## WORK

### 3

Work protecting lifestyle



女川駅

yupopo  
女川温泉センター



# WORK 1

## Work supporting people doing something new

New Orleans after Katrina and Silicon Valley where startups are emerging

one after another, have the richness of social capital in common.

Relationships exist where people can just call each other for advice.

Hubs that connect resources from in and

outside of the community nurture

such relationships.

### HUB:02

#### Come, Fishermen!

🏠 Fisherman Japan 📍 Ishinomaki, Miyagi

Young fishermen and fish dealers in Sanriku volunteered to train 1,000 new fishermen in the next 10 years. Fisherman Japan runs a hostel for aspiring fishermen called "Triton Base," as well as the first online recruitment website specializing in the fishing industry.



Photo: Funny!! Keisuke Hirai

### HUB:01

#### Town rebuilding based on data

🏠 NPO Asuenokibou 📍 Onagawa, Miyagi

By sharing a vision based on data with people in the community, including local business owners, citizens, people returning, new people moving to town, and company representatives, Asuenokibou works to create concrete projects to improve local conditions.

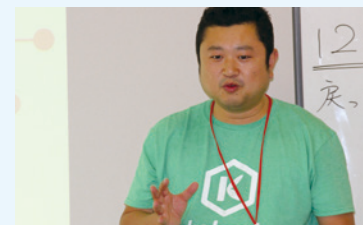


### HUB:06

#### Beloved Executive Director

🏠 Toru Kuzumaki 📍 Kitakami, Iwate

Kuzumaki was a businessman before 3.11 but became the executive director of the Iwate Fukko Collaboration Center after being asked by friends. Because of his kind personality and love for the community, Kuzumaki has immense credibility among NPOs and young people returning or moving to Iwate.



### HUB:07

#### Community where young people get together in Iwate

🏠 Iwate\*Youth Conference 📍 Ofunato, Iwate

"Iwate\*Youth Conference" is organized by young people active along the Sanriku Coast in Iwate. Core members returned or moved to Iwate after 3.11. Members get together to share their challenges and passion, and create new action.



### HUB:08

#### High school students: Assets of the community

🏠 High School Pitch 📍 Fukushima City, Soma, Minami-soma, Koriyama, and Iwaki, Fukushima

Presentation sessions led by Bridge for Fukushima were held in five venues in Fukushima Prefecture, where high school students present their projects and receive input and support. The project has become a base for supporting high school students and their projects in the community.



### HUB:05

#### A base for coming back.

🏠 Odaka Worker's Base 📍 Minamisoma, Fukushima

Odaka Worker's Base has identified the challenges and needs of people returning home once the evacuation order is lifted, and is preparing for key players to reenter the currently uninhabited town. The Base launched businesses necessary for daily life including a restaurant and supermarket, among others.



### HUB:04

#### Community Foundation born in Tohoku

🏠 Sanaburi Foundation 📍 Sendai, Miyagi

Sanaburi is a community foundation established in June 2011 and has intermediated ¥1.7 billion to support activities of local NPOs, citizens, and business startups. The Foundation implements a variety of initiatives to solve local issues and improve life in the community.



### HUB:03

#### Share house where entrepreneurs are born

🏠 Makigumi 📍 Ishinomaki, Miyagi

More than 300,000 people came to Ishinomaki as volunteers and more than 200 young people are said to have moved to the city. Young people live together in the share house and discuss creative ideas.



## ETIC's Action

In collaboration with Japan Society (New York) and other partners, ETIC. has been working on strengthening hubs in Tohoku since 2013.

- 1 Visits to community hubs in the U.S. (New Orleans, Wilmington, Detroit; thirty leaders in total have participated in the past 3 years)
- 2 Exchange programs with progressive communities all over Japan (fifty-six leaders in total have participated in the past 3 years)
- 3 Funding and supporting business strategy development for pilot projects to strengthen hubs in Tohoku (¥450 million has been provided to seven organizations)
- 4 Dispatching "Migiude" fellows to strengthen the organizational foundation of hubs

## More HUBS!!

- 09 Kamaishi Hub Function Project 📍 Kamaishi, Iwate
- 10 Wiz 📍 Ofunato, Iwate
- 11 Iwate NPO Net Support 📍 Kitakami, Iwate
- 12 Maru Office 📍 Kesennuma, Miyagi
- 13 Minamisanriku-cho Tourism Association 📍 Minami-Sanriku, Miyagi
- 14 ISHINOMAKI2.0 📍 Ishinomaki, Miyagi
- 15 Ishinomaki Senshu University 📍 Ishinomaki, Miyagi
- 16 MAKOTO 📍 Sendai, Miyagi
- 17 Wakatsuku 📍 Sendai, Miyagi
- 18 Recovery Support Center MIRAI 📍 Soma, Fukushima
- 19 Asubito Fukushima 📍 Minami-soma, Fukushima
- 20 Katsuriki Sozoshia 📍 Katsurao, Fukushima
- 21 TATAKIAGE Japan 📍 Iwaki, Fukushima



# WORK 2

# Work making money

Where can we find the potential in communities to generate income?

New initiatives to explore overseas expansion, inbound tourism, exchange opportunities, and local resources are starting.

WORK 1: Work supporting people doing something new

CREATIVE ACTION IN TOHOKU  
WORK 2: Work making money

WORK 3: Work protecting lifestyle



CASE STUDY:01

## Creating a global brand from a hidden beauty in Japan

🏠 "Kitsanriku Factory" by Hironoya Co., Ltd. 📍 Hirono, Iwate

Hirono lies in the northernmost part of Iwate. Yukinori Shitautsubo launched a fishing venture instead of taking over his parents' fish processing factory, looking to tap into the global market with the "Kitsanriku brand." To ensure success he also pursues industry-government-academia collaboration in neighboring towns, including Hachinohe. The processing facility includes world-class hygiene control and authentic local food ingredients such as abalone. The company is proceeding with a sister-city project in Taiwan.



CASE STUDY:02

## A place of learning where the world comes together. Giving new life to community through learning at a formerly shuttered school

🏠 Public Interest Incorporated Association: sweet treat 311 "MORIUMIUS" 📍 Ishinomaki, Miyagi

MORIUMIUS, an interactive facility in a renovated school building dating back 92 years, opened in July 2015 in Ogatsu, Ishinomaki. Its eight days and seven nights program where children explore the forest, sea, fields and paddies is so popular that there are repeat guests. Children from overseas also visit the facility to learn the history and culture of the region and study Japan's way of coexisting with nature.



CASE STUDY:03

## Utilizing technologies and experiences from Tohoku to solve world issues

🏠 Familia Co., Ltd. / Tohoku ROKU Project 📍 Shichirigahama, Miyagi

Familia manufactures and processes agricultural and fishing products, and provides advice in restaurant management and urban design. In September 2013, the company opened a restaurant complex, "ROKU Farm Atalata," with the theme of agriculture and food. Familia now produces Michinoeki (public roadside stations) and hotels in collaboration with the Chamber of Commerce, Japan Agricultural Cooperatives, Japan Fisheries cooperative, and local government in Shichirigahama, Miyagi. Based on technologies Familia developed in the past years to produce, process, and market emergency food, along with their experience of hiring people with disabilities, the company also began technology licensing in Cambodia to introduce new solutions in hygiene and logistics to the country.



CASE STUDY:04

## Diving in collaboration with fishermen. Development of a new type of marine sport

🏠 Miyagi Diving Service High Bridge 📍 Onagawa, Miyagi

Divers and fishermen used to be at odds. In Sanriku, rich with marine resources, people associated divers with poaching. Yet after 3.11, fishermen and divers got closer by clearing debris together. New dive sites are now emerging in Tohoku in valuable spots where cold and warm currents meet, and along the farming beds of sea squirts and oysters.



CASE STUDY:05

## Expanding to 25 cities in Japan - The concept of "Eating Magazine"

🏠 NPO Tohoku-Kaikon "Tohoku Taberu Tsushin," Nihon Taberu Tsushin League 📍 Hanamaki, Iwate

Tohoku Taberu Tsushin, the first monthly magazine in Japan that delivers food with a magazine, connects producers and consumers not only with good prices and quality products, but also through experiencing the food producers' passion and way of living. The carefully edited magazine and food arrives as a set, and subscribers can communicate with food producers directly via a closed forum on Facebook. The concept attracted much public attention and requests to create similar magazines with food delivery came flooding in. The magazine has expanded to 25 cities including Shikoku Taberu Tsushin and Hokkaido Taberu Tsushin.



CASE STUDY:06

## New locally produced, locally consumed energy

🏠 Kesennuma Chiki Energy Kaihatsu Corp. 📍 Kesennuma, Miyagi

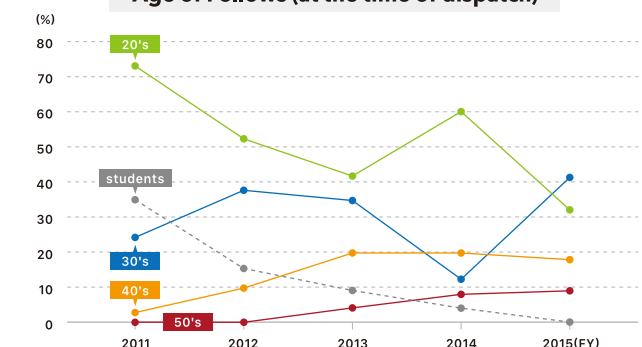
In Sanriku, there's not only the sea but also rich mountains. A new initiative to locally produce and consume energy has started utilizing these resources. The company holds training sessions for individual forest workers who own and manage small-scale forests in the region. They procure timber from forest thinning, and create wood chips to produce gas for electric generation. The generation capacity is 800 KW, enough electricity to support 1,760 household when operated throughout the year.

## ETIC's Action

### "Migiude" Fellowship Program to support new business and projects

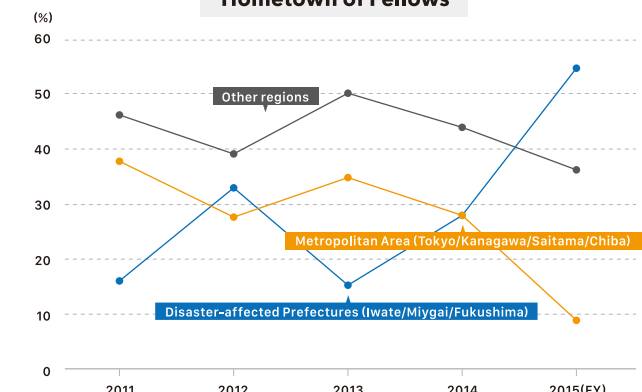
Through the "Migiude" (right-hand man) Fellowship Program, begun in June 2011, ETIC has been dispatching Fellows to new programs and projects in Tohoku for a year. A maximum of ¥1.8 million per Fellow is provided. So far, 228 matchings have been made to over 130 projects in 38 cities/towns (as of February 2016).

#### Age of Fellows (at the time of dispatch)



In the initial stage of the Program, more than 70% of Fellows were in their 20s (36% of all fellows were college students), but the percentage dropped to 32% in FY2015. (No college students in the program this FY). Currently, most Fellows are in their 30s with business experience, as higher skill levels are now needed.

#### Hometown of Fellows



In the 5th year after 3.11, the percentage of Fellows from the three disaster-affected prefectures increased to 55%. Fellows from the Tokyo Metropolitan area, who were about 30% of Fellows four years ago, decreased to less than 10%. No significant fluctuation was found in Fellows from other areas in the past five years.



# WORK 3

## Work protecting lifestyle

The elderly population is more than 35% and depopulation continues.

As tax revenues decrease, it is impossible for the government to support life in the community alone. New businesses and self-governing by citizens are starting.

I want them to  
make a town  
I want to live in

WORK 1: Work supporting people doing something new

CREATIVE ACTION IN TOHOKU  
WORK 2: Work making money

WORK 3: Work protecting lifestyle



CASE STUDY:01

### From being supported to supporting others

General Incorporated Association Replus Ishinomaki, Miyagi

Replus provides day services for the elderly in need of rehabilitation, and as an example of the impact of their work, an 89 year old man who needed constant care no longer needed services due to his time at Replus. Replus also trains local residents as healthcare workers. Approximately 60 people have completed the training program, and are now contributing to improving the health of others. In Miyagi, whose care-need ratio is the highest among prefectures, Replus is working to decrease the number of people who need to use primary nursing care insurance, thereby decreasing social welfare spending while at the same time increasing healthy life expectancy in the community.



CASE STUDY:02

### From Owning to Sharing. A New Model for Autonomy.

Japan Car Sharing Association Ishinomaki, Miyagi

The Japan Car Sharing Association is creating a system for local communities to take care of the transportation needs of seniors. Using some 90 cars donated from all over Japan, the Association helps citizens get around and reduces disaster risk. Communities are revitalized through car sharing, and communities themselves are responsible for the operation of the sharing system. It's a new model of autonomy for seniors.



CASE STUDY:03

### New industry for healthy life expectancy. Making healthcare a profitable industry.

Certified Nonprofit Organization NPO Horai Fukushima, Fukushima

Using idle assets and unutilized human resources to build hubs for sports, nutrition, and healing, Horai promotes citizens-led initiatives for healthy aging. Horai recently established the Fukushima Healthcare Industry Platform Association and began activities to prevent severe cases of diabetes and dementia, to create sixth sector industrialization of agriculture, and to use ICT to connect local business operators with universities and professional associations.



CASE STUDY:04

### Creating opportunities to accommodate personal needs

NPO Peace Jam Kesennuma, Miyagi

Through the making of jam from locally sourced fruits and vegetables as well as the production of multi-purpose textiles, Peace Jam offers employment support for mothers in the community. The factory, created to enable women to work while raising their children, includes a kids' room in the building and playground equipment in the garden. Peace Jam also creates an environment to raise children with the whole community by hosting events such as a community market and workshops.



CASE STUDY:05

### Connecting young people with psychological issues to primary industries

NPO Switch "Ishinomaki NOTE" Sendai / Ishinomaki, Miyagi

Since 3.11, the number of young people with psychological issues increased in Ishinomaki. Switch, an NPO specializing in mental health-care, also provides consultations and encourages civic participation through paid internships in fisheries and agriculture. Switch has its own agriculture business that provides young people with opportunities to work in agriculture. This also provides a solution for the fisheries industry, which has a shortage of workers.



CASE STUDY:06

### Spreading a model for socially vulnerable people in agriculture from Tohoku to all over Japan

Apple Farm Corp. Sendai, Miyagi

"Rocchome Nouen," a vegetable buffet restaurant located in a suburb of Sendai, is full every day. Eighty percent of the restaurant staff have disabilities including the main chef. Their model for successfully utilizing an unused building and irregular vegetables is attracting inquiries from all over Japan. Using the restaurant as a showroom, Apple Farm plans to increase the number of social contribution restaurants so that 1% of the seven million people in Japan with disabilities can work and be taxpayers.

## ETIC's Action

### Migiude Fellowship Program Achievements

Since 2014, ETIC has supported small and medium sized businesses in Tohoku with workshops and meetings to strengthen their vision and strategy. Three to four retreats are also organized each year for the Fellows who work with businesses in Tohoku. Individual business strategy meetings bring mentors—with expertise in different fields, such as primary industries, welfare, community development, and marketing—together with local business owners.

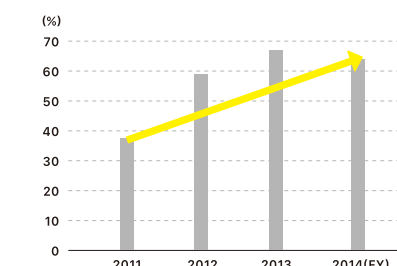
### Performance of health-related organizations before/after Migiude project

	Economic Impact	Job Creation	Health Promotion
Before Dispatch	¥2,740,000	28 people	516people
After Dispatch	¥7,940,000	51people	2,373people

Monthly sales (sum of five programs) increased from ¥2.74 million to ¥7.94 million, number of paid staff increased from 28 to 51, and the number of beneficiaries per month has grown from 516 to 2,373.

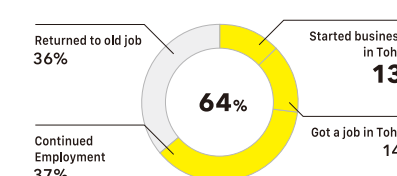
### Retention Rate

# of Fellows who remained/started up in Tohoku



More than 60% of Fellows remained in Tohoku after the Fellowship period of one year; more than 100 Migiude alumni are still active in Tohoku.

# of Fellows who remained in Tohoku by % (Limited to Adults)



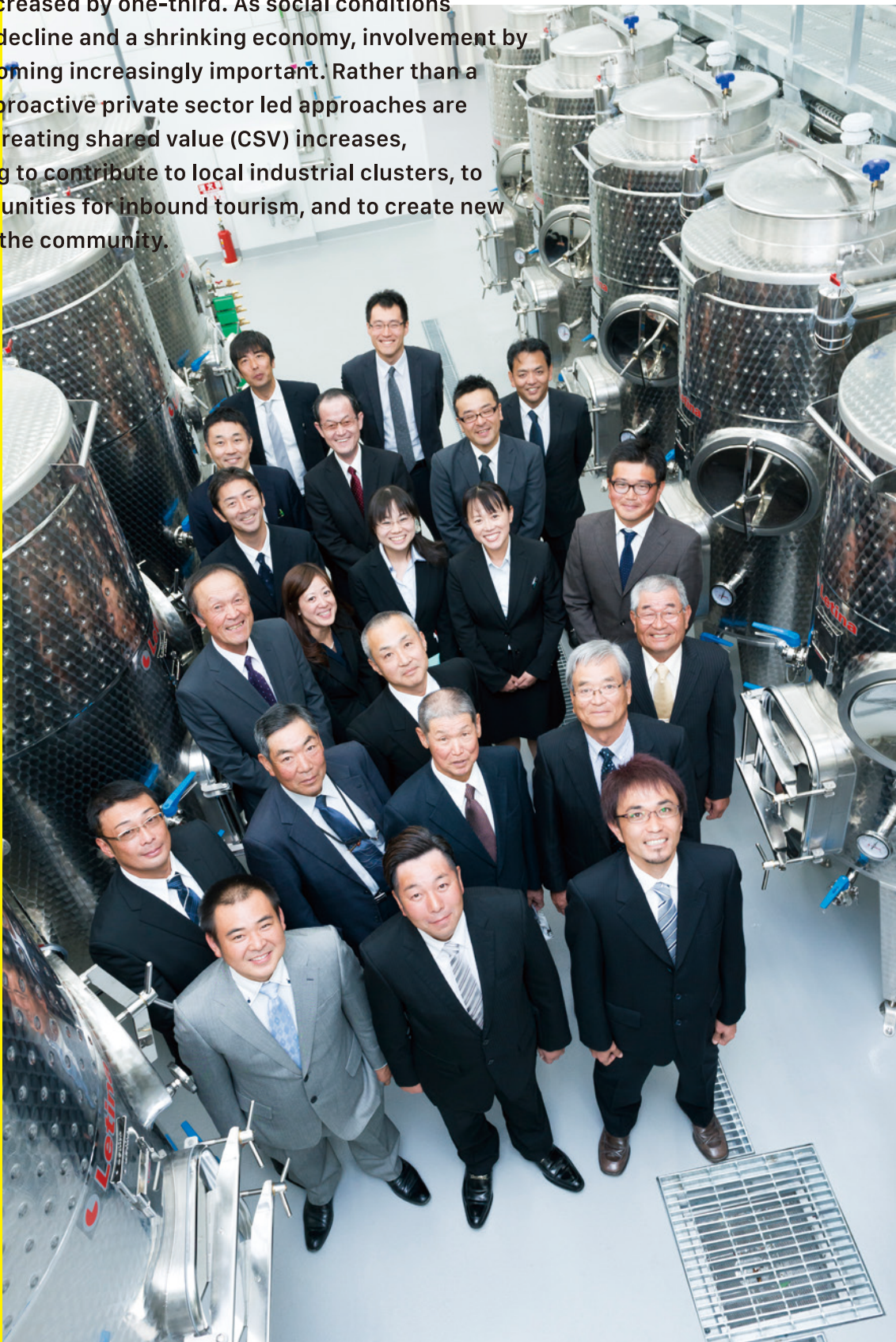
Twenty-two people (13% of all alumni) started their own business utilizing their Migiude experience, while others became representatives or executive directors of receiving organizations.



# Regional Innovation Initiatives

- Can Tohoku become a lab for Regional Innovation? -

Society is aging faster than expected. In comparing the Great Hanshin-Awaji Earthquake in 1995 and the Great East Japan Earthquake in 2011, the number of people over 75 years old has doubled, and the number under 18 has decreased by one-third. As social conditions change with population decline and a shrinking economy, involvement by the private sector is becoming increasingly important. Rather than a centrally-led approach, proactive private sector led approaches are required. As interest in creating shared value (CSV) increases, movements are emerging to contribute to local industrial clusters, to develop business opportunities for inbound tourism, and to create new healthcare industries in the community.



The Mitsubishi Corporation Disaster Relief Foundation launched the "Fukushima Winery" at the end of 2015. It is a wine making facility that makes use of fresh fruit (peaches, pears, apples) grown in the prefecture, and nurtures wine-grape growers. Staff members, including winemakers, are permanently based in Koriyama for the sixth industry fruit farming project.

## Companies working on challenges

### CASE STUDY:01



Yahoo Japan Corporation  
Vice President  
COO

Kentaro Kawabe

### Making opportunities for visitors from all over Japan and the world to come to Tohoku

The Fukko Department, Yahoo's electronic commerce website with sales exceeding ¥820 million, was established in 2011 to exclusively sell Tohoku products and has become a unique space where, for example, fishermen can sell products directly to users. In 2013, in collaboration with Kahoku Shimpo Publishing Co., a newspaper company from Miyagi, Yahoo started "Tour de Tohoku," a biking event that attracts cyclists from inside and outside of Japan. In 2015, 3,500 people participated in the Tour, and its economic effect was estimated at ¥870 million. At Yahoo's request to the government, paid homestays in private homes were made possible. Kentaro Kawabe, Vice President and COO of Yahoo! Japan, said "We have announced that we will continue the "Tour de Tohoku" for at least 10 years. In 2016, we will explore opportunities to create a way to make the Sanriku Coast a mecca for bike tourism to encourage people to visit on a regular basis."



### CASE STUDY:02



ROHTO Pharmaceutical Co., Ltd.  
Director of PR/CSV Promotion

Yasunori Kawasaki

### Challenges are opportunities for people to grow. Next step: a health promotion project.

ROHTO Pharmaceutical Co., Ltd. has been actively sending employees to in Tohoku. Some contributed to increasing production by introducing new technologies to traditional fish farming, while others developed halal food products in Ishinomaki that Muslims can eat without worry. Yasunori Kawasaki, director of PR and CSV, says "There are plenty of places in Tohoku to practice our mission of 'being of use to society.' Tohoku faces challenges we'll face all over Japan in 20-30 years, so we send talented employees who are the future of our company to the region. We think they will grow in Tohoku as a result of the challenges they will learn about and work on."

ROHTO is currently working on a new healthcare promotion project. Fishing towns in Tohoku have lower life expectancies due to unbalanced diets, and smoking and drinking. Medical costs and the chance of hospitalization increases rapidly after turning 50. "The best technology that a pharmaceutical company has is analytical technology. We can analyze food from all over Japan. Maybe we can discover the reasons certain foods bring long life. We'd like to contribute through research that shows which foods are beneficial to people's health," says Kawasaki.

## Companies that have accelerated their investments in Tohoku 5 years after the earthquake and tsunami:



Built the "Fukushima Winery" in Koriyama, Fukushima in 2015 and is proceeding with a sixth industry fruit farm project. Also involved in training new wine-grape farmers.



Promotes bike tourism along the Sanriku Coast and paid private homestay around "The Tour de Tohoku" (estimated economic impact: ¥870m).



Preparing projects in collaboration with government, social welfare associations, and NPOs to promote healthy living in fishing towns by contributing to the improvement of diet to lessen dependence on medication.



Will open a new branch in Sendai in 2016. With its expertise for product planning, Felissimo plans to offer seminars, consultations, and sales matching for manufacturers in Tohoku.



Ratified a rebuilding collaboration agreement with Minamisanriku town on Nov. 1, 2015. Will implement projects to explore opportunities using ICT in tourism and education.

### Michinoku Partners

A consortium of companies started in 2012 that has a new vision of local communities and supporting social entrepreneurs in Tohoku in collaboration with ETIC.

\*This article consists of the excerpt of speeches in "Regional Revitalization Challenge in Tohoku Symposium" on November 16, 2015, organized by Japan Society, ETIC., and the Sanaburi Foundation.



# FROM TOHOKU TO THE WORLD

An Ecosystem that constantly poses new challenges  
From Tohoku to the World

Due to great structural challenges, Japan is in a major period of change.

There are countless questions that need to be answered.

As a result, opportunities are everywhere in the country.

What is needed are creative ideas, a curiosity for the future, and the ability to take action.

Each person must find his/her own motivation and reason to start.

We need to be ready to tackle an overwhelming number of challenges

We will create an ecosystem that can handle an overwhelming number of challenges

in Tohoku, in Japan and the rest of the world.

## Files of unsolved cases

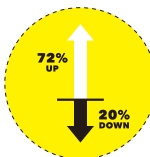
There are many questions that require creative solutions.

### Unsolved Case: File 1

#### No place for inbound tourism

The number of foreign visitors to Japan is approaching 20 million per year, and the market size is estimated to expand to ¥5 trillion in 2020. Although the market increased by 72% from 2010 to 2014 in Japan, the number of inbound visitors to Tohoku decreased by 20%. Only 0.9% of all overnight stays by foreign visitors to Japan are in Tohoku. Is Tohoku unsuitable for inbound tourism or is there space for growth?

Source: Japan Tourism Agency, Japan National Tourism Organization



### Unsolved Case: File 2

#### The myth of "Young people would come back if there are jobs"

People in rural areas often say, "Young people don't come back because there's no place to work." Is this true? Regardless of the effective opening-to-application ratio, the population in Sendai grew in the past five years. Despite the high number of job openings, the population in Ishinomaki keeps decreasing. Many regions in Japan where populations are growing are bedroom communities to big cities to start with. What are the elements that attract young people? Is it the living environment or access to childcare? Diverse options for jobs? The creativity of the community?

Source: NPO Asuenokibou "Onagawa Data book"



### Unsolved Case: File 3

#### ¥100 trillion flowing out of communities

Due to expected inheritances in the next 20 years, ¥117 trillion is estimated to flow out of original communities. Notably, ¥50 trillion will flow into the greater Tokyo area, while more than 25% of financial assets owned by individuals will flow out of regions like Tohoku and Shikoku. The impact to the local economy will be huge not only for local financial institutions but also for others. How can we connect young families in urban areas inheriting funds to the rural areas where the funds originated? How can we increase the flow of funds within a rural community?

Source: Sumitomo Mitsui Trust Bank "Regional transfer of household assets occurring frequently by inheritance"



### Unsolved Case: File 4

#### Productivity of the tertiary industry down by 4%

The productivity of primary industries have increased by 5% in the past 10 years—aggregation and adding high value products are starting to show progress. A smaller workforce due to the aging of business owners can be an opportunity for further aggregation. On the other hand, productivity of tertiary industries have decreased by 4%. Can relief be found through deregulation, such as relaxing requirements for paid private homestays and welfare facilities? Can share businesses like Airbnb prosper? Can we create opportunities to experiment with new ideas in compact rural towns?

Source: IHQOE "Analysis report on the 'Summary of issues on tax systems based on structural changes' by the Government Tax Commission"



There might be many files of unsolved cases in your everyday life. Should you wish to work on any unsolved cases, please don't hesitate to contact ETIC.

etic

search

## ETIC. IN ACTION

### Goals for the next five years:

Create an ecosystem that constantly poses new challenges

Increase the number of local entrepreneurs

Create model local ventures.

To help achieve this, ETIC would like to strengthen collaborations with corporations, municipalities and NPOs who share our goals.

### 1 ETIC. is innovating the Migiude Fellowship Program.

#### Promoting the efforts of aspiring young entrepreneurs — Creating 100 local ventures

About 10% of ETIC fellows start their own businesses after their Fellowship is over. Our goal is to triple the number of startups by seeking out entrepreneurs and connecting them to startups in Tohoku.

We will bring innovation to the fellowship to support all phases of starting a new business by providing training to polish business ideas and connecting entrepreneurs to local resources. ETIC. will change the mindset of young people regarding startups, and will work to create 100 new local ventures over the next five years.

#### New partnerships with local municipalities and hubs

Requests for Migiude Fellows are made by individual business owners. In the future, the Fellowship will expand to include requests from municipalities and organizations that function as hubs in their communities. ETIC. will strategically increase experts/Fellows from certain industries and concentrate on local issues deemed important by partner communities. For example, ETIC. will work with Ishinomaki City in collaboration with apbank, Yahoo Japan, and Reborn-Art Festival. ETIC. plans to expand the fellowship to 10 municipalities in Tohoku, and will then expand country-wide.

### 2 Strengthening "hub functions" to enrich the entrepreneurial ecosystem

#### Building on ETIC.'s business acceleration expertise and network of mentors

The role of hubs in communities that can address issues such as healthcare, fisheries, and tourism is increasingly important. With ETIC.'s know-how and network of nearly 100 business mentors, ETIC. will accelerate the establishment of hubs in Tohoku.

#### Promoting collective impact to create social impact

ETIC., working with entrepreneurs, major companies, the corporate sector in urban areas, and institutions of higher learning, will establish venues to promote collaborative efforts to address key issues and value creation. ETIC. will continue to strengthen local hubs to foster collaborative value creation.

### 3 ETIC. will foster momentum for Local Ventures.

#### Participate in Tohoku Open Academy Executive Committee to foster momentum in all of Tohoku

Tohoku Open Academy organizes 3-day, 2-night field work opportunities to create a community of people interested in contributing to the development of new local economies and communities in Tohoku. In order to expand the number of participants who are interested in addressing challenges in Tohoku, ETIC. will engage all of Tohoku to maximize the Academy's impact in the region.

Tohoku Open Academy <http://www.open-academy.jp>

#### Accelerate local ventures by collaborating with progressive communities around Japan

In communities such as Nishiawakura, Okayama, individuals are finding innovative ways to use existing local resources such as the forest to start local ventures. ETIC. will promote starting new businesses in rural areas through courses and seminars for aspiring young entrepreneurs in urban areas.