

Branding Hokuriku

In the Hokuriku region of coastal central Japan a project is underway to leverage the strong industrial presence in the area to develop a globally competitive industrial cluster. **Tamura Mariko** reports.



Business leaders gather for the Hokuriku Region Cluster Forum hosted by the Chubu Bureau of Economy, Trade and Industry, February 2004.

The Project to Create Manufacturing Industry in Hokuriku Region (hereafter "the Project") is a joint initiative involving industry, academia, and government, in the three prefectures (Toyama-ken, Ishikawa-ken, and Fukui-ken) that make up the region. Based on an accumulation of diverse and unique industries, efforts are being made especially in areas such as biotechnology, high-precision working, and new materials to create a high-level manufacturing industry cluster. With the motto "Forming a network to open the future for the world from Hokuriku," various programs for local manufacturing industries are gathering pace.

The organization promoting the Project, which has the support of the Hokuriku Branch of the Electricity and Gas Industry, Chubu Bureau of Economy, Trade and Industry (METI Hokuriku), is the Hokuriku Association of Industrial Creation (chaired by Yamada Keizo, chairman of the Hokuriku Economic Federation). The Association was established in November 2002, and has formed an extensive human network among industries, universities, and research institutes, as well as government organizations.

Tamura Toru, the head of the Regional Economic and Industry Division of METI Hokuriku, is confident about the possibilities for the Project, saying, "A notable feature of industry in Hokuriku is its diversity, ranging from textiles and other traditional sectors to medical and high-tech equipment. We hope to continuously establish new world-class businesses in

the three prefectures."

METI Hokuriku has worked energetically to build a network. "We have visited more than 200 local companies so far, and have tried to form a network based on the information collected," Tamura says. "We will continue encouraging companies to participate in the Project."

The office of the Association is located in Hokuriku Industrial Advancement Center (in Kanazawa-shi city, Ishikawa-ken), and three research associations have been established already. These are the Hokuriku Life Care Cluster (HLC) Association, Hokuriku Micro Nano Process (HMNP) Association, and Hokuriku Advanced Composite Materials (HACM) Association. These associations are busy developing technologies and products, making use of the industry-academia-government networks. Support in coordinating these activities is being provided.

The Life Care Market

HLC Association, the first of the three associations to be established when the Hokuriku Association of Industrial Creation was formed, is chaired by Professor Ohta Tomihisa of the Department of Pharmaceutical Sciences at Kanazawa University. HLC has been developing new businesses related to healing and relaxation, anti-stress, health, and anti-aging, as a joint endeavor involving industry, academia, and government. It plans to make use of the advantages of the local industries, including textiles, pharmaceuticals, and fermented foods.

One of the directors of HLC Association, Hikota Yozo, who is the president of Broad Ltd. (Kanazawa-shi city), has established an office for the Association at the head office of his company. The major business of Broad is planning and selling cosmetics.

Says Hikota, "There are three committees at the HLC Association: Business Support, Product Planning, and Evaluation and Analysis. There are also teams for marketing, sales channel development, support for ventures originating in universities, the food industry, the beauty and health industry, genetic analysis, alternative medicine, and others, which have been formed as

subcommittees. A committee for preparatory work to establish the Anti-stress Science Institute has also been set up."

Joint research into cosmetics that apply galenicals (medicines derived from plants) is underway. Hikota notes an association policy, "By establishing a unified brand, the bond among members becomes stronger and the images of products and member enterprises are enhanced." Consequently, the Association decided to sell the products under the unified brand name "HLCC," with the support of Itochu Corporation, which chairs the Business Support Committee. Itochu is in charge of applying for trademarks for the products developed and lending support to expand sales channels.

The brand name derives from the initials of HLC Association, and in addition represents healthy (H: healthfulness derived from natural ingredients), live (L: enhancing the quality of life), country (C: use of regional features and technologies), and confidence (C: highly reliable products).

Another advantage is that products are checked to determine whether they are suited for the brand by the Evaluation and Analysis Committee of the Association, the members of which include university professors and other experts. Needless to say, the main ingredients of products are natural substances, to suit the consumer orientation toward natural products. This bolsters the credibility of products aimed at enhancing the quality of life, for which quality standards apparently remain unclear.

"Only products that meet the Association's standards for safety and functions are sold with the HLCC brand," Hikota says.

At the end of March 2004, two beauty essences were launched. One contains *yomogi* (tansy) electrolytic water. The other is the VC-IP (fat-soluble vitamin C) UV-block cream with added extract of *kinjiso*, an indigenous vegetable in Kanazawa. These are the first cosmetic products to be marketed under the HLCC brand name.

Development work was chiefly led by Broad, which procured materials from tansy electrolytic water manufacturers in the prefecture. The prescription making and blending were carried out by Revanche Co. (Kanazawa-shi city), a manufacturer of cosmetics made from natural ingredients.

Application of the brand name is also planned for natural soaps and diet gel. "The HLC Association hopes to promote the brand name in the area of cosmetic products, initially targeting women, and then broaden the scope of business to include health foods and functional clothes," Hikota explains.

About forty companies from the cosmetics, food, and textiles industries participate in the association as member companies. Forty university professors from the

Japan Advanced Institute of Science and Technology, Kanazawa University, Kanazawa Institute of Technology, Toyama University, University of Fukui, the Japanese Society for Complimentary and Alternative Medicine, and other institutions also take part, and play a role in the joint development of products.

Right now, the HLC Association is gearing up to reorganize itself as a nonprofit organization (NPO), and the provisionally named Anti-Stress Science Institute is to be established as a corporation. The reason for this is that the HLC Association hopes to establish an organization that is capable of handling all aspects of evaluation and analysis, to further consolidate existing networks of universities and hospitals, to enable orders to be received from outside sources and to actively support product development by local companies.

“In the past few years, the life care product market has expanded rapidly, making evaluation and analysis functions even more important. But specialist know-how is required for investigating ingredients and for collecting and analyzing animal and human test data,” explains Hikota. At present, only a few organizations working with life care products are capable of handling all of the necessary functions except food-related organization. After incorporation, new members will join the analysis division so that the full array of evaluation and analysis procedures can be conducted within the corporation, reducing time and expense.


Another new product developed jointly by industry, academia, and the government has attained the HLCC approval mark—Okara Choju bread.

Okara Choju, a bread made using bean curd lees (*okara*) and deep sea water, was developed jointly by two Toyama-shi companies: Yutaka Foods Industries Co. and Goshu Yakuhin Co., in conjunction with the International Research Center for Traditional Medicine, Toyama Food Research Technology Center, and other partners. “The bread contains plenty of calcium, magnesium, and other minerals, as well as dietary fiber, and is low in calories. The product was displayed at Moca Pastry Shop run by Yutaka Foods Industries President Nishio Yukio in June this year, and it became popular for its health benefits,” comments Tamura, pointing to the growing instances of joint product development involving industry, academia, and the government.

“We hope to contribute to the creation and invigoration of new industry clusters in the Hokuriku region, which could become a major center for cosmetic and health food products. And we also plan to play an active role in the formation of a mechanism to achieve a national rollout of products that originate in Hokuriku,” comments



Broad President Hikota Yozo (top left) has established an office for the HLC Association at the head office of his company; HLCC cosmetics (bottom) are the first project of this collaboration to carry the Association's brand name.

Hikota with regard to future aspirations. Let's hope that this energy continues to drive manufacturing in Hokuriku. 

TAMURA Mariko is a bureau chief of the Japan Academic Society for Ventures and Entrepreneurs

COURTESY OF BROAD, LTD.