

Mr. Masayuki Ota

[CEO, JOGGO Co., Ltd. Borderless Japan's group]

Ota: Greetings, everyone. My name is Masayuki Ota, I represent the JOGGO.

Thank you for this opportunity to share stories about our business, our approach, and our vision with people from various countries. First, I would like to introduce myself, then I would like to talk about my business.

I have visited about 10 countries around the world, including places with breathtaking natural beauty, as well as places that have sadly been polluted by human activity Right now, we are working to help individuals with disabilities in Bangladesh and Japan find employment. I have seen how, in real life, people were often left out of society, isolated, or discriminated against. I had also been personally interested in situations these people were facing, as well as in environmental activities.

Through my encounters with various people, I was taking part in activities to support orphans in Thailand, as well as volunteering in marine businesses. That was when I realized how difficult it was to organize volunteering activities in Japan. I experienced the difficulty of not knowing whether I was making any impact or having an influence. I couldn't even get a sense of whether what I was doing was worthwhile, working as a volunteer without sufficient funding alongside my daily work.

I was working at a global retail agency at the time. Even though the business was promoting sustainability, it was basically driven by mass production and mass disposal. I did not feel I was contributing, no matter how I looked at it. It was then, in October 2019, I saw an opportunity in Borderless Japan, recruiting for applicants to head JOGGO. I quit my retail job and have been representing JOGGO for the last two years.

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Borderless Japan is a group of companies that are entirely committed to social business. At present Borderless Japan is running 42 social businesses in 16 countries worldwide.

Borderless Japan sees social businesses as businesses that can be expanded by pursuing efficiency while targeting abandoned people, objects, places, and society, even if doing so may often be inefficient. I simply find it important for social businesses to contribute to society and generate profit at the same time.

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The important thing is to be able to monetize the business independently generating income from the business and becoming independent. Another characteristic of the company is that it is not a listed company. This means, we are not affected by the views of investors and other third parties and can focus completely on social business.

At Borderless Japan, we have a system called "On-okuri.".\* [\* On（恩） and okuri (送り） in Japanese mean send a favor, thanks or gratitude.] The group accepts investments only when everyone agrees on them at the president's meeting to undertake business, irrespective of voter's age.

※Slide3

JOGGO means "A perfect fit for you" in Bengali. So why did we launch JOGGO and why did we decide to do business in Bangladesh? There was a man named Faruk who moved to Japan to learn about working for Borderless Japan. After he finished his internship, he wanted to do something for his country. In his country, there were people with no chance of employment, and people who had nothing to eat, not just that day, but the following day and the day after that. He wanted to do something for them. That is how he created JOGGO with Borderless Japan.

Since I was appointed, I have rebranded JOGGO, aiming for a society where all people, transcending borders, religions, and disabilities, can share the joy together and connect with the "heart" under the vision, "Connecting through the heart-moving moments."

※Slide4

Simply put, JOGGO's management philosophy is to pass on a better world to the next generation.

Due to poverty, people face difficulties in finding employment and cannot become financially independent. Some people, because of their disabilities, only have a limited vocational choice, or do not have the opportunity to get employed because of the location of their birthplace or the environment in which they grew up. JOGGO's mission is to support these people to succeed as professional leather craftspeople and take pride in their work.

※Slide5

We also place much importance on social impact to enable people to continue developing themselves as professionals and as human beings. Becoming a professional is important if you want to monetize a business.

I would like to explain in detail the two businesses, JOGGO and UNROOF. They were established in March 2014, with JOGGO being established first as one of the companies in the Borderless Group. At JOGGO we manufacture our products at our own factory in Bangladesh and sell them in Japan. UNROOF had been an independent company but was struggling to monetize its business. As a result, it was eventually integrated into JOGGO in order to survive.

※Slide6

First, I will talk about JOGGO. We started working in Bangladesh because of Faruk, and Bangladesh is said to be one of the poorest countries in Asia. It has a population of 160 million, which is larger than Japan, though the country is only half the size of Japan. In Bangladesh, there are many people who are unable to go to school or work even if they wanted to. We started the business because we wanted to help such people.

※Slide7

The approach we took was to build our own factory and create employment opportunities ourselves, prioritizing people who were unable to receive appropriate education, single mothers, and individuals with disabilities. First there were craftspeople with 40 years of sewing experience, teaching their techniques to our newly employed people. In the beginning, there were many craftspeople teaching and helping but soon the people that were newly employed took over as the majority of employees.

※Slide8

This picture was taken in November 2009 (Slide9). There are many reasons why there are so many single mothers. Single mothers are often the group that suffers from extreme poverty, for reasons such as the father or husband disappearing. The boy in the middle with a blue shirt was working part-time as a logger. One day a tree fell down on him, paralyzing one side of his body, damaging his eyes to the point of not being able to see hardly at all.

※Slide9

This is a scene from the factory with the employees (Slide10). As it is a Muslim country, women are wearing headscarves. We opened a childcare room on the second floor of the factory to enable the women to see their children during work. As business itself does not create sufficient bonding, we organized a cricket match, which is Bangladesh's national sport. This "heart connection" is the message JOGGO's vision embodies: to be connected through heart-moving moments.

I would like to move on and explain the actual business, explaining how we bring in orders and create employment. Bangladesh has Muslim festivals. At these festivals, people offer cows to god as a token of gratitude, and then kill them and eat them. Rich people in the community serve the beef to people in the local community who cannot get food on their own. One hundred and sixty million people eat this beef all at once, in one week, so of course, it generates lots of leather. That is where JOGGO comes in, using these by-products, as it would be such a waste to throw them away.

※Slide10

Workers take pride in using domestic cow leather from Bangladesh. We also use it.　The factory to tan the leather is called a tannery. We developed the leather in 14 original colors, which are unique to JOGGO. For orders, we have adopted a semi-made-to-order system, where customers can choose their own style. We target young women. To capture their boyfriends' attention, the women can have their name printed on the product they customize. We sell the products online, inviting customers to make their one-and-only leather product in the world.

※Slide11

Now, I want to talk about a crucial factor. First, one must have a person or a clear target in mind. One then needs to have an insight (unconscious thoughts that consumers themselves are not aware of), to which you provide items and services of value to get orders. We record sales of around 40 million yen a year. This is the mechanism of how JOGGO creates social impact.

※Slide12

We ensure high-level sewing. It is a crucial factor because if products are not of high quality, no orders will come in, which will mean no employment. The technical instructors I mentioned earlier have joined us to help our workers improve their sewing skills.

※Slide13-17

Next, I would like to talk about the UNROOF business. The founder has a physical disability and is a wheelchair user. UNROOF was established in defiance of society's attitudes toward individuals with disabilities. Such attitudes as "people with disabilities are unable to work," and "we must help people with disabilities." We employ individuals with disabilities through the same regular recruitment process as people without disabilities, in an effort to bring about a more diverse society. UNROOF's business concept is, "Creation of a society where everyone, with or without disabilities, can shine." People who identify with this concept are working with us now.

※Slide18

The important thing for employees at UNROOF is that even if they have a Certificate of Persons with Physical Disabilities, they must like making things. We will encourage them to do what they want to do through UNROOF. We target people like that. So far, we have employed about 10 people as craftspeople.

※Slide19

The unique thing about UNROOF is the diversity of its people. Some have ADHD, or complex forms of ADHD, and some have depression. They are free to come in late and take days off as they like. Fortunately, the craftspeople at UNROOF are diligent workers and production never gets delayed despite this freedom. Instead, if someone cannot get up early in the morning because of harsh weather, low atmospheric pressure from a typhoon, and so forth, we simply see that as that person's unique characteristics and move on. To develop a framework for work, we develop rules and manners together.

※Slide20,21

Now, I would like to talk about the sustainability of JOGGO and UNROOF. Basically, we do not keep livestock. There are many advantages in doing this. Some people would think that we could sell more if you had stock, but we have limited resources and cannot do this right now. It will not be sustainable, so we do not keep stock. If we do not have any stock, we do not have to manage it, and there will be no disposal of waste. The only thing is that we can only accept orders for deliveries after 15 days at the earliest, because every product from JOGGO is made by hand. We do not cater to people who want our products right away like the next day. But that is something we cannot change and do not intend to change.

※Slide22

The second characteristic is that the leather we use comes as a by-product of the meat industry. Vegans are said to not accept leather, but we use by-product leather and do not kill cows solely for their leather hides. The problem is using leather generates leather scraps. We do make products using the scraps but even then, we end up with some scraps, so we want to do something about it. We procure the electricity we use at the factory from a power company called Hummingbird Electric Power, a power company under Borderless Japan, and another company called SHIZEN ENERGY. Both of them provide renewable energy, but depending on the office selection of a power company will differ.

※Slide23

In Japan, thermal power generation is the largest source of CO2 emissions, accounting for 40% of total emissions. We have opted to go for renewable energy to contribute to reducing CO2 emissions.

The other point was to create a sustainable environment. The reason Borderless Japan has opted for social business is that NGOs and NPOs are unable to operate if funding stops. If we want to be independent, there is no other way but to create a business that can be monetized. There are many ways to create employment, but our belief is that creating employment will be meaningless if the work environment is not up to par. We are taking measures one step at a time to organize a positive environment.

What you see in this image is an after-school activity (Slide24). There is a childcare facility next to it. There were many women at our workplace who would not eat the meals served at the company and took the meals home, so we opened a dining room. We also distribute some food every day, like bananas twice a day.

※Slide24

In Bangladesh, and at JOGGO and UNROOF, we see employment as our way to impact society. Last month, these two companies combined to employ a hundred people. We have sister companies and OEM companies that employ about 700 people in total. We bring that much employment. Right now, there are about 10 people working at UNROOF. So, this has been a rather brief introduction, but that is how we run JOGGO. Thank you.

※Slide25

Moderator: Thank you for your presentation. Now, we will move on to the question and answer segment.

Question A: Whose idea was it to use cow skin in Bangladesh?

Ota: It was everyone's idea. It was not just from Faruk, but also from Japanese people who were there at the time. We planned it together.

Question B: Are the wallets manufactured and marketed in Bangladesh?

Ota: JOGGO brand products are only marketed in Japan. There is a company in Bangladesh called OEM that handles Borderless Group's leather. They ship to countries outside of Japan.

Question C: It looks like you have been taking on many social issues. How do you identify issues and determine the direction you take to solve them?

Ota: JOGGO is entirely committed to solving the poverty issue in Bangladesh. First and foremost. Then we thought about how to run the business sustainably. The basis is to address issues in Bangladesh, and we are committed to doing everything we can to resolve the situation.

Question D: There is a company in Japan called MOTHERHOUSE. Japanese people opened a leather product factory in Bangladesh to create employment for the local community and they sell their products in Japan. Do you exchange ideas with them and have any influence on each other?

Ota: The director of Borderless Japan and the director of MOTHERHOUSE know each other, so they have some communication, but I do not know to what extent. In fact, more than 10 people who are now working for us were working for MOTHERHOUSE before as leather craftspeople, and they switched to JOGGO. We do not have any direct dealings with each other, but we are moving in the same direction.

Question E: Thank you for telling us about your wonderful businesses. My eldest son has a mental disability and has been unable to go to work. How does UNEOOF in Bangladesh deal with trouble between people with disabilities?

Ota: At one time, we had certified social workers visiting UNROOF, but they have since moved on and we do not have anyone right now. We have, actually, experienced various problems. One good approach that went well was to unify the vision once again and to create rules and manners at the same time. Then everything became clear. Now we are using a system called Chatwork so that everyone can view comments.

Question F: It was amazing to hear that your corporate culture allows workers to come in late or take days off as they like. Had you had these rules since the company was established? Or did these rules change while incorporating the character of your employees?

Ota: The rules had been that way ever since the company was founded. I was the one to verbalize the rules officially, but I do not think the rules have changed that much in essence. You asked whether our rules have changed according to the character of our employees. Well, I think rules are something that basically keep changing. There is a wide range of developmental disorders and they vary by person. So, we have chosen a format that incorporates all of these variations.

Question G: Hasn't there been any conflict between people who are working long hours and who aren't?

Ota: Yes, it did happen, and it was quite a struggle. JOGGO offers a super-fast delivery service which delivers in just 8 days. However it is not possible to deliver in 8 days from Bangladesh, so we are making the products at UNROOF. This means people who are not full-time workers are having to work hard, while full-time workers are not having to work as hard. We had to make sure that everyone was taking on production fairly. We had our factory managers develop a system visualizing who was making what. We allocate work evenly to people now.

Moderator: Thank you. Sadly, we have run out of time, so this will be the end of the keynote speech.