

Supplier Interview (1)



This supplier manufactures N Cool and N Warm bedding products, which are NITORI Group's mainstay products, other bedding products, bedding accessories, and interior products and has had a business relationship for over 20 years. They actively participate in Nitori World Circle (NWC) activities held by NITORI Group and has proposed "module production and improvement of production efficiency through equipment modification" and so on. It is one of the few companies in the industry that continues to improve and reform.

Please tell us how your company has grown through the relationship with NITORI Group.

We started out as a small OEM manufacturer. We have grown together with NITORI to be a manufacturer with several factories underpinned by production, and management systems. With NITORI as a source of knowledge and a role model for us, we have learned much—everything from turning crises into opportunities, business models, and human resources development to social responsibility and mission fulfillment. We are delighted that NITORI has guided us in our development, production, and quality control for more than 20 years.

What do you emphasize in manufacturing?

It is crucially important to anticipate and prepare in advance for the various problems that may arise in manufacturing. We emphasize stable quality through improved manufacturing technology and on-time delivery through overall personnel and equipment management. And we constantly review, improve, and reform manufacturing processes to reduce costs. In addition, as part of our initiatives to address environmental and social issues, we propose products made from organic materials and recycled materials (polyester fiber), and focus on employee welfare, human rights, and education. We feel that our initiatives in the sustainability-related area are already an integrated part of our corporate culture.

What prompted you to participate in NWC?

As the company grew, the number of factories increased, but the experience and abilities of managers were not standardized, resulting in uneven management methods and quality levels among factories. In order to achieve our creed of "improving manufacturing capabilities and providing value-added products to our customers," we had to establish standardized management methods throughout the company and operate factories in a manner that would ensure quality, cost, and delivery schedule. So, we participated in NWC activities for the first time in 2013. The company participated in NWC every year through fiscal 2021 (nine times in total), becoming one of the few companies in the industry that continue improvements and reforms, such as "module production and improvement of production efficiency through equipment modification."

What were the benefits of participating in NWC? How did your company grow or change?

At first, some employees were reluctant to embrace changes to work procedures and methods to which they were accustomed, but we continued training and took steps to motivate participation, including commendation of outstanding efforts. As a result, each employee has become aware of the need to identify issues and make improvements and this awareness has gradually become pervasive. Now, I feel that the involvement of all employees in identifying issues and making improvements and reforms has taken root in our corporate culture, leading to human resources development and corporate growth. NWC not only contributed to the improvement of factories but led to the reform of the entire corporate culture. We will continue making improvements and doing our utmost as a supplier to achieve NITORI's Vision 2032 together with NITORI.

Nitori World Circle (NWC) activities

NWC activities are long-standing initiatives where like-minded employees form a team, identify issues from day-to-day tasks, and promote improvements and reforms. This year marked the 16th year since the launch. The activities take place at NITORI Group sites across the world and play an important role as a platform to directly deliver the voice of frontline employees to the management. In fiscal 2021, a total of 374 teams, both domestic and international, participated, of which 30 teams were from overseas suppliers. Many examples of supplier-led improvements and reforms were presented.



Overseas NWC (held in 2019)
*Online NWC in fiscal 2020 and 2021

Supplier Interview (2)



This supplier manufactures NITORI Group's sofas, office chairs, and seating, and has had a business relationship since 2004. NITORI Group established a specialized technical support team for this supplier in 2016 and provided monthly on-site guidance (compensated technical support) until 2019.

Please tell us how your company has grown through the relationship with NITORI Group.

We have achieved rapid growth through our relationship with NITORI. From 2010 to 2017, the scale of our manufacturing facilities increased approximately fivefold. In addition, operating revenue increased by approximately RMB 900 million over the same period, and in 2017 the company was able to list on the Shanghai Stock Exchange. We believe that the first prerequisite for a sustainable future is for the company to generate solid profits. In 2020, we established our vision with a development strategy through to 2045. We share this vision with NITORI, with the aim of further increasing sales and shipments. NITORI is a very important partner for us.

What do you emphasize in manufacturing?

We emphasize providing our customers with the best quality, innovation in R&D, and improving production efficiency. In the field, our employees have a "customer first" mindset and strive to identify and solve problems based on "customer needs." Furthermore, as part of initiatives to address environmental and social issues, we are promoting the use of certified timber and recycled resources. We help reduce the use of finite resources such as oil and water. As a manufacturer, we regard such sustainability-related initiatives as an important element of corporate responsibility, and we communicate its importance in our training programs for employees.

What were the benefits of receiving compensated technical support? How did your company grow or change?

There have been many changes and much growth, including "qualitative improvement of planning management and field management," "improvement of work processes," "increased production efficiency," and "visualization of KPIs." It is apparent that employees' awareness of safety and security has been raised, leading to fewer accidents and injuries on site. Moreover, changes in production and management systems directly lead to a reduction in production costs. A portion of the cost savings achieved through efficiency improvements is used to increase employee salaries. This contributes to further enhancement of motivation.

How would you like to apply what your company gained through compensated technical support in the future?

As well as utilizing what we learned through NITORI's compensated technical support in terms of technology and quality, we would also like to utilize the "work ethic," "responsibility as a manufacturer," and "importance of innovation" that we learned in the course of technical support in our human resources development. We very much agree with what Chairperson Nitori stated in his book Five Principles of Success, "We were able to succeed because we have a mission." Our mission is to provide people with healthy and comfortable lifestyles. Our mission shares values with NITORI Group's mission. I sincerely hope that our company and NITORI will continue to grow together and that our partnership will flourish for many years to come.

Compensated technical support

NITORI Group provides compensated technical support at suppliers' manufacturing sites in order to create better products together with suppliers. In addition to guidance on establishing a traceability system through visualization of in-process jig and tool management and modular production (zero intermediate inventory), training and lectures are provided by instructors with practical experience in world-class methods and technologies. We will work together with our suppliers to improve quality and develop human resources. Through tours that NITORI Group organizes in which representatives of suppliers visit the factories of outstanding suppliers, we create a learning environment and foster improvement in manufacturing technology throughout the supply chain.

