



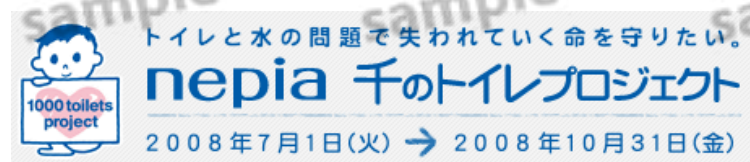
## 慶應義塾大学ビジネス・スクール

### Oji Nepia Co., Ltd. — the nepia 1000 Toilets Project

The nepia 1000 Toilets Project was announced to the public on July 1, 2008. Headed up by Toshiyuki Kon, Manager of the Marketing Department in the Sales Division of Oji Nepia Co., Ltd., and staffed by members of the same department and external members, the nepia 1000 Toilets Project (hereinafter referred to as the 1000 Toilets Project) applied part of the sales of nepia products to support UNICEF “aid activities in water and sanitation” in East Timor in 2008, the International Year of Sanitation, under the slogan of “protecting lives lost through toilet and water problems.” The objective was to install 1000 household toilets, install or repair toilets in 15 schools, and support activities to disseminate and entrench hygienic practices through donations to UNICEF.

Marketing Department manager, Mr. Kon, gave consideration to the future marketing strategy of the company having sought a variety of opinions both from within and outside the company with regard to the 1000 Toilets Project, the logo for which is shown in Figure 1.

Figure 1 – an example of the 1000 Toilets Project logo



This case was written by Professor Akihiro Inoue of the Graduate School of Business Administration, Keio University. This case was prepared solely as a basis for class discussion and has no intention to opine on the quality of corporate management or the appropriateness of management decisions made by persons concerned.

Our gratitude to Mr. Toshiyuki Kon (leader), Mr. Keiji Saito, and Ms. Tomoko Takase of the nepia1000 Toilets Project of Oji Nepia Co., Ltd., Mr. Sadataka Takahashi, Head of the Do Creativity Institute Inc., Mr. Ryoichi Tsujii, Representative Director of Value Marketing Lab Inc., and Ms. Yoshiko Hayashida of Corporate and Individual Donor Relations of the Japan Committee for UNICEF for their cooperation in the collection and collation of published materials.

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## Oji Paper Group

### Oji Paper Co., Ltd.

5

Oji Paper Co., Ltd., which was first established as Shoshi Kaisha by Ei'ichi Shibusawa on February 12, 1873 (and on August 1, 1949, after the post-war disbandment of conglomerates), has its head office at 4-chome, Ginza, Chuo-ku, Tokyo, as at the end of March 2008 had capital of ¥103.88 billion, and employs approximately 4300 people.

10

Oji Paper Co., Ltd. constitutes the Oji Paper Group, the overall group businesses of which can be broadly divided into four fields. The first area is the manufacture, processing and sales of its customary general paper from a variety of pulps, packaging paper, miscellaneous paper, non-carbon paper, sanitary paper, container board and white card; the second field is the manufacture and sale of cardboard (cardboard sheets, cardboard cases), cartons, plastic film, thermal reading paper, adhesive paper and disposable diapers, etc.; the third area encompasses land and real estate leasing of company-owned assets, and; the last field is plantations, both domestic and overseas, and the maintenance and management of company-owned forests. The various corporations under the Oji Paper Group are shown in Figure 2.

20

Consolidated performance for the Oji Paper Group overall in fiscal 2008 (April 1, 2007 – March 31, 2008) was as follows. Turnover: ¥1.31838 trillion (previous year: ¥1.26574 trillion yen); operating profit: ¥42.12 billion (previous year: ¥63.19 billion); ordinary profit: ¥38.06 billion (previous year: ¥64.11 billion), and; current net profit: ¥11.77 billion (previous year: ¥17.15 billion). Performance by segment for fiscal 2008 was as follows. Paper pulp products – turnover: ¥799.7 billion (previous year: ¥757.9 billion), and operating profit: ¥17.3 billion (previous year: ¥35.4 billion). Processed paper products – turnover: ¥467.1 billion (previous year: ¥445.3 billion), and operating profit: ¥13.2 billion (previous year: 14.1 billion); Timber and eco-products – turnover: ¥76 billion (previous year: ¥79 billion), and operating profit: ¥3.3 billion (previous year: ¥2.3 billion). Turnover and operating profit for the remaining areas were ¥211.1 billion (previous year: ¥214.6 billion) and ¥7.9 billion (previous year: ¥11.1 billion), respectively.

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### Oji Nepia Co., Ltd.

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In this Oji Paper Group, it is Oji Nepia Co., Ltd., (hereinafter referred to as Oji Nepia) that is responsible for the manufacture and sales of tissues and toilet paper that consumers use in their daily lives. Being situated in Oji Seishi 1-go Kan (5-chome, Ginza, Chuo-ku, Tokyo), the head office of Oji Nepia is located in a separate building from that of the group head office which is in 4-chome. As of the end of March 2008, the company had capital of ¥800 million (100% of which was contributed by Oji Paper) and an annual turnover of approximately ¥80 billion from the manufacture, processing and sale of tissues and paper pulp processed products, as well as disposable diapers. The four core products are household products, infant care products, adult care products and mild incontinence products (Figure 3 shows the Oji Nepia product lineup).

40

Figure 2 – Oji Paper Group

<b>Paper Product and Converted Paper</b>		
Oji Paper Co., Ltd.	Oji Itagami Co., Ltd.	Oji Specialty Paper Co., Ltd.
Oji Kinocloth Co., Ltd.	Yupo Corporation	
<b>Packaging Materials</b>		
Oji Chiyoda Container Co., Ltd.	Musasi Oji Container Co., Ltd.	Shizuoka Oji Container Co., Ltd.
Saga Paperboard Co., Ltd.	Kyodo Shiko Co., Ltd.	Oji Interpack Co., Ltd.
Honshu Rheem Co., Ltd.	Oji Packaging Co., Ltd.	Kyusyu Package Co., Ltd.
Oji Tac Co., Ltd.	Shinomura Chemical Industry Co. Ltd.	Oji Seitai Co., Ltd.
Ojiadba Co., Ltd.	Chuetsu Co., Ltd.	
<b>Livingware and Stationery</b>		
Oji Nepia Co., Ltd.	Apica Co., Ltd.	
<b>Information Industry, Scientific Instruments and Information Media</b>		
KS·Systems Inc.	Oji Scientific Instruments	
<b>Mechanism, Engineering and Industrial</b>		
Oji Engineering Co., Ltd.	Shin Nippon Feather Core Co., Ltd.	
<b>Green, Wood and Health Care Business</b>		
Oji Forest & Products Co., Ltd.		
<b>Raw Materials</b>		
Oji Cornstarch Co., Ltd.	Oji Saito Shigyo Paper Co., Ltd.	
<b>Foods</b>		
Oji Salmon Co., Ltd.		
<b>Commerce, Service and Real Estate</b>		
Oji Trading Co., Ltd.	Oji Real Estate Co., Ltd.	Oji Logistics Co., Ltd.
Ocean Trans Co., Ltd.	Kyokuyo Pulp & Paper Co., Ltd.	Hotel New Oji Co., Ltd.
Oji Paper Insurance Service Co., Ltd.		

(Source: Oji Paper Group homepage)

Figure 3 – Oji Nepia product lineup



(Source: Oji Paper Co., Ltd., homepage)

The household paper line consists of tissues, toilet rolls, kitchen paper and wet tissues. The lineup of tissues includes “nepia Tissues,” “nepi nepi Tissues,” “Hana Celeb Tissues,” “Japan premium” and “Flushable Pocket Tissues” (Figure 4). The toilet roll lineup also has a lot of variety, including “Deluxe Toilet Rolls,” “nepi nepi Toilet Rolls,” “Long Roll Type,” “Hada-Celeb,” “Japan Premium,” “Washlet® Toilet Rolls,” “Japan no Kaori,” “Blendia,” “Anemone” and “Refreshlet” (Figure 4). These brands can be broadly divided into the luxury brands of “nepia,” “Japan premium” and “Hana Celeb” and general brands of “nepi nepi,” etc. The kitchen paper lineup includes “Gekikyushu Kitchen Towel,” “Kitchen Towel Box” and “In the Kitchen Kitchen Paper.” The final lineup in the household paper area is that of wet tissues, and this includes “Wet Tissue Box,” “Anti-bacterial Wet Tissue Box,” “Wet Plus – Amino Acid Moisturizing,” “Wet Plus – Kids’ Pocket” and “Refreshlet.”

The second of Oji Nepia’s major products is infant products. Infant products supplied to the market under the “nepia GENKI!” brand consist of infant disposable diapers and wipes. The diaper range includes “nepia GENKI! High-catch,” “nepia GENKI! Gokigen Fit,” “nepia GENKI! Shinkokyu [breathable] Sheets” and “nepia GENKI! Marugoto Guard.” In the lineup of wipes are “nepia GENKI! Sarasara Oshirifuki Box,” “nepia GENKI! Sarasara Oshirifuki Refills” and “nepia GENKI! Sarasara Oshirifuki Portable,” providing a range for each application.

Figure 4 – Tissue and toilet roll lineup

### Tissue Box Lineup

A range of nepia tissue box products has been produced to reflect the various requests of our customers. For those times when you have a cold or are suffering from hay fever, we recommend our products with moisture retention ingredients or moisturizing ingredients which are gentle on the skin. Choose from a variety of packaging with pretty designs using carefully selected colors, or simple, elegant designs.

 <p><b>nepia T tissues</b>  <ul style="list-style-type: none"> <li>• 100% recycled pulp made from plantation trees</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 170 sheets (270 sheets); packs of 5</li> </ul> </p>	 <p><b>Japan premium</b>  <ul style="list-style-type: none"> <li>• Excellent softness and absorbency</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 170 sheets (270 sheets); packs of 6</li> </ul> </p>
 <p><b>nepi nepi T tissues</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 170 sheets (270 sheets); packs of 5</li> <li>• [Packaging] 270 sheets (100 sheets); packs of 5</li> </ul> </p>	 <p><b>Mushishi Soothe Tissues</b>  <ul style="list-style-type: none"> <li>• Contains moisture retention ingredients with soft texture</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 170 sheets (270 sheets); packs of 6</li> </ul> </p>
 <p><b>Hana Soft Tissues</b>  <ul style="list-style-type: none"> <li>• Contains moisture retention ingredients with soft texture</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 170 sheets (270 sheets); 3 packs, 4 packs, 5 packs</li> </ul> </p>	

### Toilet Paper Lineup

nepia toilet paper products are made from recycled forest products. nepia toilet paper uses 100% pulp made from plantation trees, cleared trees and scrap material.

 <p><b>Cakora Toilet Roll</b>  <ul style="list-style-type: none"> <li>• 100% recycled pulp made from plantation trees</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls, 1 roll</li> </ul> </p>	 <p><b>Washery Toilet Roll</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls, 1 roll</li> </ul> </p>
 <p><b>nepi nepi Toilet Roll</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls, 1 roll</li> </ul> </p>	 <p><b>Japan no Kaku</b>  <ul style="list-style-type: none"> <li>• Excellent softness and absorbency</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls, 1 roll</li> </ul> </p>
 <p><b>Long Roll Type</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 41 m; 8 rolls</li> </ul> </p>	 <p><b>blendia</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls</li> </ul> </p>
 <p><b>Hana Soft</b>  <ul style="list-style-type: none"> <li>• Contains moisture retention ingredients with soft texture</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls</li> </ul> </p>	 <p><b>Anemone</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls, 1 roll</li> </ul> </p>
 <p><b>Japan premium</b>  <ul style="list-style-type: none"> <li>• Excellent softness and absorbency</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls</li> </ul> </p>	 <p><b>Relaxville</b>  <ul style="list-style-type: none"> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• Soft, absorbent, gentle, containing 0% fragrance</li> <li>• 100% 100% 100%</li> <li>• [Size] 2-ply, 27.5 m; 4 rolls</li> </ul> </p>

(Source: Oji Paper Co., Ltd., homepage)

The third major product area is adult care products. These are adult diapers that under the brand name “nepia Tender Uraraka Biyori” come in various different styles for use in different circumstances, such as the pants type, tape type and flat type. There is also a pad type in the range, providing a lineup that allows different types to be combined for a variety of circumstances.

The final major product area is mild incontinence products, consisting of inner sheets for mild urinary incontinence. There are four types according to the level of incontinence, starting from “30 (minute quantity),” “60 (small quantity),” “120 (medium quantity)” and “170 (large quantity).”

Right across the entire Oji Nepia product line that encompasses tissues, toilet paper and other household paper, the nepia GENKI! brand infant products, adult care products and incontinence products, is the “Yawaraka Heart (soft heart)” (Figure 5). This “Yawaraka Heart” contains the following message.

“Providing a wide range of products that customers of all ages can use over the course of time.

Helping to make life more comfortable through all of our products.

The “Yawaraka Heart” is a slogan that embodies this desire of Oji Nepia.

All of the products that we supply will come into contact with your skin.

As such, it is essential to always seek that gentle touch and comfort of use.

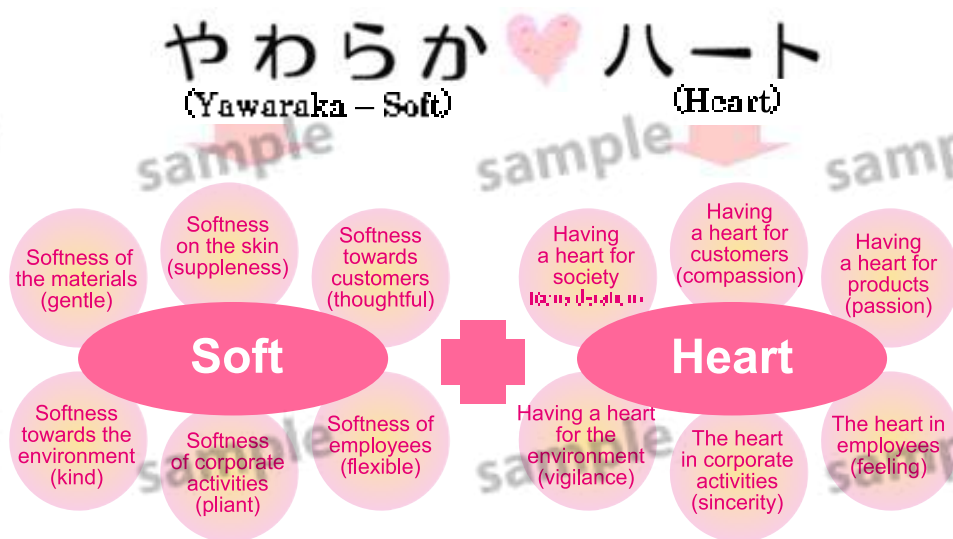
We also continually provide helpful suggestions to create a comfortable living environment, including various lifestyle information and service development that strives for greater convenience.

In addition to quality, we bring greater softness to the feel of using the products and to daily life.

This concept is important because we use and come across these products every day, and it permeates every product and service brought to you by nepia.

In addition to describing the softness of the product materials, “Yawaraka” also connotes softness, or thoughtfulness, towards the customer and the softness, or flexibility, of company staff. “Heart” stands for “feeling” – in other words, consideration, thoughtfulness and sincerity.

Figure 5 – Yawaraka Heart



(Source: Oji Paper Co., Ltd., homepage)

This “Yawaraka Heart” is considered the minimum characteristic of nepia products as a fundamental benefit of the entire nepia range of products. For example, in the case of tissues, the “softness” is the “softness of the tissue quality,” while the “heart” is the “lessening of discomfort when wiping one’s nose.” For kitchen towels, the “softness” is “fine weave that ensures that the object being wiped is not scratched” and the “heart” is the “concern for the household (as a maker of household paper).”

The marketing activities of Oji Nepia based on this “Yawaraka Heart” include a number of interesting activities apart from the usual marketing communication strategy utilizing the mass media and regular sales promotions aimed at stimulating distribution. One example of this is Oji Paper Co., Ltd.’s ice hockey team, the Oji Eagles. This is a talented team that, since its formation in 1925, has won the Japanese national competition on several occasions and made its mark at both the domestic and international level. With two factories in Hokkaido, one in each of Tomakomai and Kushiro, the Oji Paper Group has produced a continuous stream of top-level players. In addition, the Group has supported ice skater Mao Asada, with Ms. Asada even appearing in previous mass marketing activities such as Oji Nepia television commercials. The cartoon character Anpanman is also used in promoting the nepia GENKI! brand of infant diapers.

Another interesting activity is the “Unchi (poo) class,” which was developed by Oji Nepia as more of a marketing activity than an information vehicle. The “Unchi (poo) class” for fiscal 2007 was conducted from June 14 to July 17, 2007. Under the auspices of the Japan Toilet Association and with the cooperation of Oji Nepia, these classes were held for 484 students at five schools in the Tokyo Metropolitan Area selected from 89 schools that applied. The classes at each school took the form of first conducting basic seminars at the schools to relate to the children the importance of toilets and poo and of the link between excretion and health, and to gain their interest. The children were then given the opportunity to make their own “Unchi (poo) pencil” to heighten their interest in poo in a way that they would remember. The third stage was to have them make an “Unchi (poo) diary” at home, recording what they had had for meals and the type of poo they excreted, encouraging dialog

between parents and children about toilets and poo and deepening their understanding of the relationship between poo and health. Once these three stages had been completed, the final step was to conduct a survey of the children's parents/guardians, as well as the school teachers, to ascertain the results of the "Unchi (poo) class."

Below are some of the results of the surveys from among the 275 surveys collected from parents/guardians and teachers.

- My child quietly and carefully brought the *Unchi* (poo) pencil home.
- My child has learned that poo is not dirty, but something that is important for the body. Thank you.
- My child immediately asked me to "make a balanced meal." I think this is because of an increased awareness.
- Thank you *Unchi* (poo) class. My child even came to eat all of the not-so-favored vegetables just to be able to write a check in the *Unchi* (poo) diary.
- There have been numerous times when my child has failed to make it to the toilet in time and had accidents in the entranceway or in front of the toilet. I was concerned that there was something embarrassing about going to the toilet at school. Excretion is a very natural act. This type of education will allow children to go to the toilet at school and outside the home just as they do at home.

The children who participated also had this to say.

- I like *Unchi* (poo) now.
- I can do *Unchi* (poo) at school now.
- I now eat vegetables that I used to hate.

## The Paper Market

The first half of the 1990s saw the collapse of the bubble economy in Japan accompanied by a rapid reorganization of the domestic paper industry. The industry changed again ten years later in what could be called a further reorganization around 2000, with six major paper companies now remaining active in the domestic market. Oji Paper, originally established in 1873, expanded through reorganization by amalgamating with Nippon Pulp Industries in 1979, Toyo Pulp in 1989, Kanzaki Paper in 1993 and Honshu Paper in 1996. Of the corporations within this type of paper market, Nippon Paper Group and Daio Paper Corporation are introduced herein. In the North American market, the International Paper Company achieves turnover double that of Georgia Pacific, Proctor and Gamble, Kimberly Clark and other companies second or lower in the rankings, while in Europe Stora Enso and Svenska Cellulosa have created a state of oligopoly.



## Nippon Paper Group

In order to achieve business integration, Nippon Paper Industries Co., Ltd., and Daishowa Paper Manufacturing Co., Ltd., combined their businesses into the Nippon Paper Group on March 30, 2001. The former Nippon Paper Industries Co., Ltd., had been established as a result of a 1993 merger of Jujo Paper and Sanyo Kokusaku Pulp (itself created by the merger of Sanyo Pulp and Kokusaku Pulp in 1972). The Group has its head office in Yurakucho, Chiyoda-ku, Tokyo, capital as of the end of March 2008 of ¥55.73 billion, and approximately 13,600 people in its employ.

The business of the Nippon Paper Group is primarily made up of four sections, the first being the paper and pulp business which deals with the manufacture and sale of paper and pulp, paperboard, and household and industrial-use sanitation products, etc. The manufacture and sale of household and industrial-use sanitation products and the like is conducted by Nippon Paper Crecia Co., Ltd. (hereinafter referred to Nippon Paper Crecia). The second business area is the paper-related business, including the manufacture, processing and sale of drink, food and household item packaging cartons, and the manufacture, sale, export and usage technology development of chemical products. Logs and lumber, building materials and engineering-related business make up the third business category. This involves the sale of imported building materials, sawed logs, pulp wood and wood chips, the collection and sale of wastepaper, and the manufacture and sale of insulation, as well as planning, electrical, control systems and building and engineering works that support the paper manufacturing industry. The fourth area of enterprise includes sport and leisure businesses, forestation, insurance and real estate, and the manufacture of soft drinks.

The results for the entire Nippon Paper Group for fiscal 2008 (April 1, 2007 – March 31, 2008) on a consolidated basis are as follows – turnover: ¥1.21168 trillion (previous year: ¥1.17526 trillion); operating profit: ¥32.83 billion (previous year: ¥44.66 billion); ordinary profit: ¥32.8 billion (previous year: ¥47.09 billion), and; current net profit: ¥5.66 billion (previous year: ¥22.95 billion). Results by segment for fiscal 2008 were as follows. Paper pulp products – turnover: ¥950.1 billion (previous year: ¥889.6 billion) and operating profit: ¥20.3 billion (previous year: ¥30.5 billion). Paper products – turnover: ¥102.1 billion (previous year: ¥102 billion) and operating profit: ¥4.3 billion (previous year: ¥4.9 billion). Logs and lumber, building materials and engineering-related business – turnover: ¥82 billion (previous year: ¥100.4 billion) and operating profit: ¥2.3 billion (previous year: ¥2.9 billion). Other business – turnover: ¥77.2 billion (previous year: ¥83.4 billion) and operating profit: ¥5.8 billion (previous year: ¥6.1 billion).

Nippon Paper Crecia, which conducts the manufacture and sale of household and industrial-use sanitation products and the like, used to have its head office in Nishi-Shinjuku, Shinjuku-ku, Tokyo, but relocated it to Hitotsubashi, Chiyoda-ku, Tokyo in May 2009 to create a sense of unity with other Group companies. As at the end of March 2008, it had capital of ¥3 billion, and an annual turnover of approximately ¥55 billion from its business of facial tissues, toilet paper, paper towels, wet tissues, incontinence care products and other related products. There are four major product categories.

Brands in the facial tissue range include “Crecia,” “Kleenex,” “Scottie” and “Disney;” in the toilet paper lineup the brands are also “Crecia,” “Kleenex” and “Scottie,” etc. Paper towels are sold under the “Kleenex” brand while kitchen towels are under the “Scottie” brand. Wet tissue brands include “Crecia,” “Scottie” and “Disney,” etc. “Poise Liners,” “Poise Pads” and “Acty” are amongst the brands supplied to the market in the incontinence care range.

### **Daio Paper Corporation**

Established on May 5, 1943 with the consolidation of 14 companies under Shikoku Shigyo Kabushikikaisha, Daio Paper Corporation (hereinafter referred to as Daio Paper) acquired Nagoya Pulp in 1983. With its head office in Yaesu, Chuo-ku, Tokyo, as at the end of March 2008 the company had capital of ¥30.4 billion and employed around 3332 people.

Daio Paper is involved in three major business areas. The first is the manufacture, processing and sale of paper and paperboard, the second is the manufacture and sale of pulp and the third is the sale of mountain forests and timber, timber plantations and lumber, and timber processing.

The fiscal 2008 (April 1, 2007 – March 31, 2008) consolidated results for Daio Paper overall were as follows – turnover: ¥455.8 billion (previous year: ¥414.16 billion); operating profit: ¥21.81 billion (previous year: ¥25.47 billion); ordinary profit: ¥14.51 billion (previous year: ¥19.22), and; current net profit: ¥4.76 billion (previous year: ¥10.63 billion). Results by segment for fiscal 2008 were as follows. Paper pulp products – turnover: ¥347.3 billion (previous year: ¥321.9 billion) and operating profit: ¥18.5 billion (previous year: ¥25 billion). Paper processed products – turnover: ¥93 billion (previous year: ¥79.1 billion) and operating profit: ¥5.2 billion (previous year: ¥3.5 billion). Other business – turnover: ¥15.4 billion (previous year: ¥13.1 billion) and operating profit: ¥2 billion (previous year: ¥600 million).

Daio Paper deals in household paper products. The brand for their tissues is “Elleair,” while toilet paper is sold under brands such as “Elleair” and “Ellefore.” The “Elleair” brand is also used for kitchen towels, wet tissues and toilet cleaning products. Feminine hygiene products are sold under the brand name of “elis,” baby care products under the “GOO.N” brand, and aged care products under the “attento” brand. The “attento” brand has been sold by Daio Paper since September 2007 after Daio Paper entered into a sale of assets agreement with Procter and Gamble to obtain and succeed to the “attento” business in Japan.

### **nepia 1000 Toilets Project**

The members of the “nepia 1000 Toilets Project” (hereinafter referred to as the 1000 Toilets Project), led by Manager of the Marketing Department in the Sales Division, Mr. Toshiyuki Kon, and otherwise comprised of marketing department members and external staff, discussed how to implement the project.

First of all, UNICEF was considered as a partner in actually donating the toilets, etc. Established to provide “emergency support” in the aftermath of World War II in 1946, UNICEF is a United Nations body for the protection of “the rights of children.” Seven years later in 1953, the organization commenced long-term aid for children in developing countries as a body to protect children’s rights. UNICEF’s goal was to realize “children’s rights – survival, protection, development and participation” – as prescribed in the “Convention on the Rights of the Child.” The vast majority of staff work in local offices in the developing nation where activities take place. The organization receives no funding at all from the financial resources of the United Nations itself, instead relying on donations from the public and voluntary contributions from governments. All of these public donations and government contributions are initially collected at the United Nations’ headquarters in New York, after which it is distributed to local offices for allocation to aid activities.

Approximately ¥17.5 billion was received in donations by the Japan Committee for UNICEF in fiscal 2007, of which about 80%, or ¥14 billion, was contributed. Donations from individuals accounted for some 80% of the total, with approximately 10% coming from corporations and the remainder from other groups and schools. Corporations can provide assistance in a number of ways, the most common method being regular monthly donations, emergency donations or donations at annual events, etc. Another method is tie-ups, wherein a portion of product sales is donated, donations are collected through charity concerts and the like or through collection boxes placed in stores, or donations are collected through a points system or other kinds of services. UNICEF cards and gifts, newsletters and cooperation through a variety of sponsorships are other methods of collecting donations.

Several matters are considered when UNICEF Japan accepts assistance from corporations. These relate to whether the company is suitable to UNICEF, whether that company is protecting the rights of children, whether they are kind from a child’s perspective, whether the company is desirable in terms of the overall well-being and development of a child, whether it is likely to have an inappropriate influence, and whether it recognizes and accepts UNICEF values. The aspect of balance is also considered in terms of whether the impression is given that the act of supporting UNICEF, or the name and logo, is promoting the corporation and products and services, whether it implies a guarantee of quality, or whether UNICEF could erroneously be seen to be conducting activities for profit.

The members of the 1000 Toilets Project contacted the Corporate and Individual Donor Relations Department of the Japan Committee for UNICEF and requested UNICEF’s support for the project and received endorsement. It was decided that the project would be implemented in the Democratic Republic of East Timor (hereinafter referred to as East Timor). East Timor has an area of approximately 14,000 km<sup>2</sup>, roughly equivalent to the area of the four prefectures of the greater Tokyo metropolitan area (Tokyo, Chiba, Saitama and Kanagawa). The capital is Dili, and the majority of the population is of Melanesian descent, including Tetum, with ethnic Malays and Chinese also present. While the official languages are Tetum and Portuguese, Indonesian and English are used for practical purposes. Many other tribal languages are also in use. Ninety-nine percent of people are Christian, with the majority of those following the Catholic faith; Muslims represent less than 1% of the population.

The country has experienced social unrest since April 2006, resulting in around 20% of the population fleeing their homes. With approximately 2000 houses in the capital of Dili having been destroyed, the living environment has deteriorated and the development index slumped. Even among the least developed countries, East Timor's human development index ranks lowest. Per capita gross domestic product (GDP) stands at \$430, and at least 40% of the population lives below the poverty line (indicating a level of no more than US\$1–2 per person per day).

As of 2006 the population was around one million, about 50% of which was represented by the under-18 age bracket. Population growth is 3.2%. Looking at population movements, the mortality rate for infants under five is 130 per 1000 live births, while 50% of infants under five are underweight and 49% suffer from malnutrition.

Because of the destruction of water and sanitation systems in both urban and rural areas over a wide area, including clean water facilities and sanitation facilities in existing schools, as a result of violence in 1999, only a small proportion of the population has access to safe water and toilets, with a wide disparity evident between urban and country regions. In urban centers, 77% of people have access to clean, safe water, while that rate falls to 56% in rural areas and stands at no more than 58% overall. Access to toilets is available to just 66% of the urban population, 33% of the rural population and 36% overall.

It was against this backdrop in East Timor that the 1000 Toilets Project commenced through a portion of sales of nepia products being allocated to support UNICEF "water and sanitation aid activities" in that country. Specifically, the first stage was to "install toilets in 1000 homes," enable residents in rural areas to have continued access to them and, through the installation of these toilets, preserve a hygienic environment and protect individual privacy. As it was evident that school attendance rates rose and the drop-out rate fell when there were toilets at a school, the second stage was to "install or repair toilets in 15 schools." The third step was "to disseminate and entrench hygienic practices." To do this: 1) education about sanitation concepts was conducted via television and radio; 2) training was conducted for members of health centers, NGOs and regional water and sanitation activities to develop personnel to ensure the promotion and entrenchment of hygienic practices, and; 3) residents were trained in toilet construction.

The products selected to be involved in the 1000 Toilets Project were mainly "nepia" and "nepi nepi" brand tissues and toilet rolls (Figure 6). The mechanism of the project saw a portion of sales from "nepia" and "nepi nepi" brand tissues and toilet rolls first donated by Oji Nepia to UNICEF. UNICEF then made toilets and conducted water and sanitation education in East Timor so that more than 13,000 children and families in 1000 households and 15 schools could be protected. Naturally, this method is elucidated on the 1000 Toilets Project homepage and various other forums (Figure 7).

An official 1000 Toilets Project website (<http://1000toilets.com>) was also created (Figure 8). In addition to providing an explanation of the project and issues with water and sanitation around the world, and a Q&A forum regarding the project, activity reports are also incorporated that contain a variety of content. There is information about East Timor, where the 1000 Toilets Project is being

undertaken, and about the Ermera, Liquiçá and Oecusse districts where specific activities are being conducted. Project leader, Mr. Kon, Oji Nepia staff and external staff visited East Timor in April 2008 ahead of the public announcement of the project on July 1, 2008. On that occasion they were able to obtain content for the website of conditions on the ground and the aid activities of UNICEF (Figure 9). “Unchi (poo) classes” such as those held in the Tokyo metropolitan area in June 2007 were also conducted during this visit and were presented on the website.

Then, on July 1, 2008, the 1000 Toilets Project was launched. The main media used for advertising this project was newspapers, the internet and magazines. The project was also taken up by morning shows on key television stations, being featured from 7:40 am for approximately 10 minutes on two occasions in mid-October.

Figure 6 – Examples of products involved in the 1000 Toilets Project



Figure 7 – Framework of 1000 Toilets Project

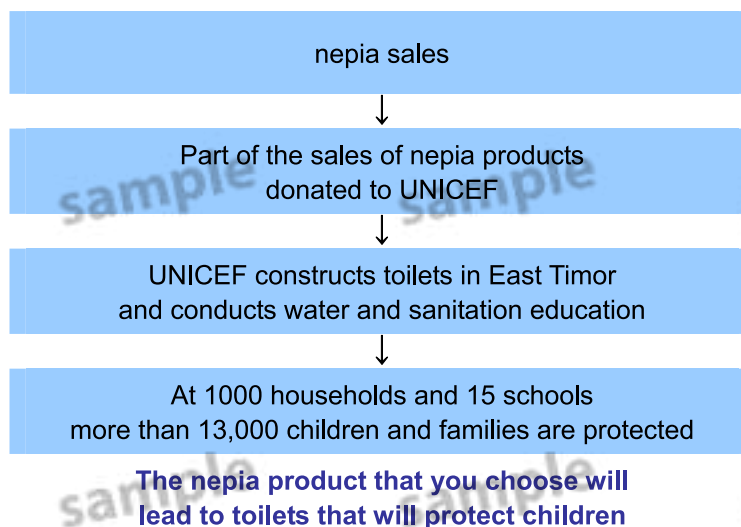


Figure 8 – Official website of the 1000 Toilets Project



(<http://1000toilets.com>. Photographs (C) Noriharu Kobayashi)

Figure 9 – The nepia 1000 Toilets Project on the job in East Timor



Figure 10 – Outcomes of the nepia 1000 Toilets Project in East Timor

**Installation schedule for household toilets (as of December 2008)**

Region (prefecture)	District name	No. of households	Population	Toilet installations
Ermera	Ponilala	633	3,749	597
Ermera	Poetete	208	1,120	208
Ermera	Lauana	133	798	63
Liquiçá	Tibar	60	360	60
Manatuto	Batara	144	864	86
Manatuto	Sananain	104	624	47
Dili	Hera	428	2,568	177
<b>Total</b>		<b>1,710</b>	<b>10,083</b>	<b>1,238</b>

**Scheduled installation and repair of school toilets and water supply facilities (as of December 2008)**

Region (prefecture)	District name	No. of schools at which toilets or water facilities were installed or repaired	No. of children
Oecusse	Bobometo	2	192
Oecusse	Beneufe	2	411
Oecusse	Usitaçac	1	193
Oecusse	Cunha	1	221
Oecusse	Bobomento	1	238
Oecusse	Costa	1	358
Oecusse	Usitako	1	264
Oecusse	Lelaufe	1	281
Oecusse	Nipan	1	268
Oecusse	Aban	1	286
Ermera	Ponilala	2	638
Liquiçá	Tibar	1	300
<b>Total</b>		<b>15</b>	<b>3,650</b>

While this project was underway, photographer Noriharu Kobayashi accompanied project members to East Timor in April. An exhibition of the photographs that were taken at that time, titled “nepia 1000 Toilets Project – East Timor Photograph Exhibition “We Do *Unchi* (Poo) and We Are Alive!” was shown in the Bunkamura Gallery of Tokyu Bunkamura in Shibuya, Tokyo from Friday, August 15 to Monday, August 25, 2008. Born in Nagano prefecture in 1968, Noriharu Kobayashi made his photographic debut with “Asian Japanese,” a collection of photographs of and essays about young Japanese he met on his travels through Asia. This struck a strong chord with much of the younger generation and was followed by “Days Asia,” which earned him the Japan Photography Association’s Newcomer’s Award in 1997. He has become one of the most recognized photographers in Japan.

Distribution companies supporting the 1000 Toilets Project were also publicly announced at this photograph exhibition and on other occasions. The supporting companies included national corporations as well as regional corporations, and spanned the spectrum of distribution business types from GMS to supermarkets, convenience stores, drug stores and discount stores, etc. A facility for gathering the opinions of consumers was also made available on the site from mid-September to the end of October. Despite this consumer information collection site only being advertised for free on the internet, in the seven week period approximately 12,000 comments were left on the site (approx. 80% female, of which about 40% were in their 30s and 20% were in their 40s), with 99% of those expressing empathy, support and other forms of encouragement for the 1000 Toilets Project. The actual on-location activities of the 1000 Toilets Project were also reported on the official site (Figure 10).

The 1000 Toilets Project was concluded for the fiscal 2008 year on October 31. On November 19, 2008, a corporate social responsibility (CSR) symposium titled “Societal Communication and New Paradigms in CSR” was held under the sponsorship of Alterna, a company which publishes a business information magazine of the same name that focuses on environmental and CSR issues. The symposium was coordinated by a university professor and featured a panel that included the Japan Committee for UNICEF, the Japan Philanthropic Association, the general editor of “Alterna,” and the leader of the 1000 Toilets Project, Mr. Kon. A report of the results and verification of the effects of the 1000 Toilets Project were presented at this CSR symposium, and discussions held as to the format for continued effective societal contribution. Articles also appeared about the symposium in the January 2009 edition of Alterna and in Nikkei Business Online.

As the project leader, Mr. Kon reflected on the “nepia 1000 Toilets Project” that was rolled out between July 1 and October 31, 2008 and investigated the form that it should take in the future.



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