

How to go from strength to strength in adversity

Japanese businesses like chemical firm IWATA are a key part of the thriving B2B sector which has remained strong in the face of international crises such as Covid-19, market uncertainties and even natural disaster.



The structure of our supply chain is like that of Mt Fuji with each company working together to ensure a combination of specialties creates the most beautiful products of highest quality.

Takuya Iwata, President, IWATA & Co

Dealing with the Covid-19 pandemic and fallout has been the ultimate litmus test for businesses all over the world. However, while most supply routes have creaked under the strain, many Japanese firms have found out their chains are made of steel.

The well-established corporate B2B culture in Japan has proven invaluable as many firms go looking for new markets and suppliers in the wake of uncertainty in China, relating to both Covid-19 and political tensions with the United States. With business interests in many countries and a diverse output, executives at Japanese chemicals firm IWATA are acutely aware of these issues.

President Takuya Iwata said supply chain strength has become even more important than ever. He commented: “The recent COVID-19 pandemic has had a significant

impact on all products.” This supply chain needs to be diversified and resilient in its structure to withstand such an impact. “Firstly, the logistics were heavily disrupted by Covid-19, then there were unfortunate natural disasters around the world.” So as a result, nowadays, a simple supply chain cannot avoid such risks, particularly as disasters such as these and product shortages are becoming more common.

“Therefore, to rectify this, we need strategies and investments that match the growing market, not only for semiconductor products but also for the supply of equipment and necessary chemicals.” A recent Nikkei survey found that 80 percent of corporations with factories in Japan had begun to diversify supply chains, with Covid-19 a key issue. Mr. Iwata said: “This will be the first step towards making our supply chain resilient, but this must be done as soon as possible.” A key strength of the Japanese economic landscape is the dominance of the SME and B2B sector, and Iwata has an incredible 120 years of success to draw on.

A wide-ranging, and ever-expanding, product range for their chemical manufacturing and processing is powered by a leading R&D department which has been essential to compete with much bigger companies as major players in international markets. They have been able to pioneer new developments while retaining a solid base. “In our 120 years of history, we have built the trust of our customers by creating a sustainable and stable business. Our mission is to make our customers happy with total solutions.” “Our basic business model is to play the

role of a creator or producer as well as a cupid who connects companies with companies. We do not only sell specific products, but we also connect the needs and seeds to over 3,000 customers.” Some IWATA success stories include developing the largest share of the market for single component sealants used in Japanese homes, polymers and filters that have improved semiconductor manufacturing, and the application of ionic liquids in electronic devices.

They have also developed ways to reduce CO₂, supply systems that increase the indoor energy efficiency of homes, and chemicals that help with CO₂ absorption practices. Mr. Iwata is a firm believer in the hard-won reputation of his nation’s production standards.

“High quality is the advantage of Japanese manufacturing and Japanese companies. In Japan, the level of quality demanded by users is high and strict. We pursue not only the quality of our products but also the quality of our processes. Due to such efforts in development and the strict quality controls, we can trust the performance of our suppliers, and thus, use their products in the next process without having to inspect them. In fact, it is the policy of the Japanese not to supply defective products to customers. Therefore, quality control, which is sometimes said to be over-specified, has enhanced Japan’s competitiveness.” “The structure of our supply chain is like that of Mt. Fuji, with each company working together to ensure a combination of their specialties and roles create the most beautiful products of the highest quality.”



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