

● From radio to television

**The history of light electrical wire followed the same path with the popularization of home appliances.**

**Kondo :** I just thought that electrical wire is "to send electricity", but I heard your company handles "Non transmission" electrical cables.

**Yasuda :** There are roughly two types electrical cable, for high and low voltage. for high voltage wire is for sending electricity from the power plant to each household like electric pole wire. Low voltage wire is for wiring from electric pole to homes and electrical wires used inside of electric appliances. What we handle is later one, electrical cable for television antenna, wiring for inside of devices are main to handle. Recently, the cable which passes radio wave, optical fiber cable for telecommunications have appeared.

**Kondo :** There are many kinds of electrical cable. When that cable which does not send electricity became popular in Japan?

**Yasuda :** That trigger was government's effort to spread the radio to tell people situation of world war second. At the time, radio's receiving sensitivity was poor and required an antenna. We manufactured and sold that radio antenna cable and wiring cable used inside of radio.

**Kondo :** As I heard that your company is founded in 1955, it means that the war was over soon after you started manufacturing and sales of such cables?

**Yasuda :** Yes, the impact of end of war took the interest in radio away from people. The time when the business of low voltage electrical wire got on track was after around 1955-. Television became explosively popular in homes to see the marriage of crown prince, it was driving force for massive sales of electrical wire for TV antenna.

● Face the changes in the times, embarking on new business opportunity related with air conditioner.

**Kondo :** You took the first step with radio, then expanded the business with television. Literally grown with the advance of electric appliances. By the way, I found that your product catalogue is occupied with related products of air conditioner. May I know the course of events to shift from television to air conditioner related products?

Interviewer : Mizue Kondo (Journalist)

Profile : Born at Hyogo prefecture, graduated Konan Woman's University English department. As a journalist, eagerly covers today's trends and problems mainly regarding with management, economic issues in Japan and worldwide. As a caster of TV economic program, interviewer for magazine and newspaper, writer of article, she is active in many fields.



**Yasuda :** As soon as I inaugurated president in 1965, I started thinking business conversions.

**Kondo :** Was there something trigger to think so?

**Yasuda :** In the same period, TV became more and more popular. And the Broadcasting Corporation of Japan (NHK) was subsidising installation of TV antenna for fringe area. As our company was in charge of material provision and technical instruction at there, our marketability was expanded as well. However, that installation was changed to direct control of NHK. As a result, private sector like us lost such a work.

**Kondo :** You had must be in trouble after you lost the pillar of business suddenly.

**Yasuda :** Sure, it was a matter of life and death. But I faced it as one of changing times and sought a way out to the field of air conditioner.

**Kondo :** What made you focused on air conditioner? There are many other electric appliances to opt at that time.

**Yasuda :** Good question. There were two reasons to decide. One is structure of connection pipe between indoor and outdoor unit of air conditioner. That connection pipe is made of copper to prevent corrosion and gas leakage, and it is wrapped by foamed resin for insulation. Its material composition is similar with electrical cable, I thought I got this!! Another one is my inspiration that the business of air conditioner would be expanded.

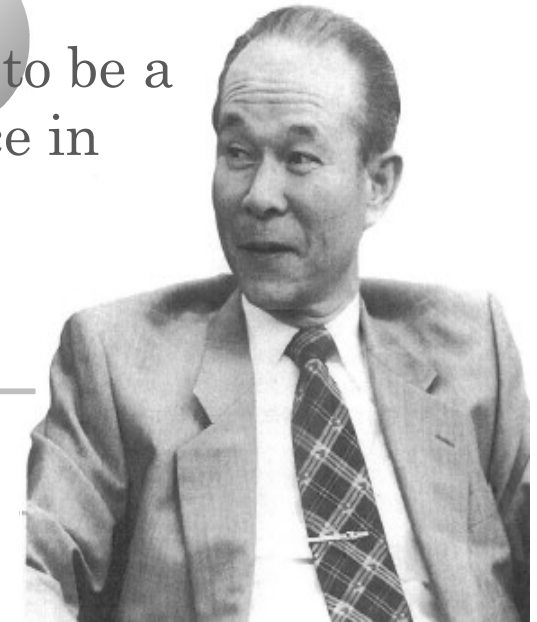
**Kondo :** Was that an era that air conditioner gathered attention as "three sacred treasures" of electric appliances along with TV and washing machine?

**Yasuda :** At that time, it was not so popular. Annual sales quantity was about 1,500,000-. But it looked me growing and promising market, so I took this chance!!

Even small, want to be a  
glittering existence in  
the field.

Hitoshi Yasuda

Representative of TOYO DENSEN CO.,LTD.  
Profile : Born at Osaka in 1934. After graduated Osaka City University in 1957, started working at Kinki Mutual Bank. Then, joined to TOYO DENSEN CO.,LTD. in 1963, and became representative director in 1965.





- Production is by outsourcing,  
Development is by own factory.
- Breakthrough was driven by this

**Kondo :** Even structure is similar, I assume the electrical cable for TV and connection pipe for air conditioner will be different in terms of business know how.

**Yasuda :** As copper is international merchandise it's not easy to procure material. We had to start from exploring supplier.

**Kondo :** How did you manage to have production line?

**Yasuda :** It's from scratch. Until completed own production line, we relied on outsourcing.

**Kondo :** Technical guidance to them was tough. wasn't it?

**Yasuda :** Exactly! That's the point to do it. We selected a party who is busy in winter and available in summer as associated factory.

**Kondo :** For what was the reason to do so?

**Yasuda :** At that time air conditioner was cooling function alone, pipe processing work is focused only in Summer. Then, I thought it would suit for the parties who are not busy in summer. As I expected, the parties I consulted with; stationary goods maker who are busy during enrollment season from Jan to Spring, brewer who prepare sake in winter, the maker who produce the quilt for the kotatsu were all interested. They are all enthusiastic to secure the job during off season not to dismiss many part-timers.

**Kondo :** To select different industries for subcontracted factory coordinate with their seasonal index was the key to success.

**Yasuda :** Not only to respond customer's request quickly with "various kinds of small quantity production" we listed as supply philosophy, but also to compete with major player's "small variety mass production" we needed to make such outsourcing systems.

**Kondo :** Didn't they require equipments?

**Yasuda :** We prepared and lended equipments to them. Advanced technology or much skill is not required to manufacture the pipe. As long as you manage well, there is no need to worry about quality. Therefore, we still count on our associated factory products for many part of production.

**Kondo :** Then, what's the roll of own factory?

**Yasuda :** Development for new product, manufacturing equipment and export-related business are their main tasks. Manufacturing can be entrusted to outsourcing, development should be done by ourselves.

● A series of hardship...

**When you get over it there will be the essence of management there.**

**Kondo :** Nowadays, manufacturing industry is looks in a bind, how about your company?



**Yasuda :** We got a big damage due to policy change of NHK as I explained, I think any industry and company faced similar difficulties. Business management is a series of suffering, when you overcame them one by one I believe there will be the essence and a kind of joy of management there. Indeed today's environment is not good, but it's not new thing for us.

**Kondo :** How to face the tough times, as long as you keep this attitude you can get over it?

**Yasuda :** I am sure. I have a favorite word "The fittest will survive" which is often considered the same meaning with "eat or be eaten", my interpretation is a bit different. I mean adaptability is important as environment surrounding us is keep changing. The one who is able to keep adapting to change can be a winner.

**Kondo :** Even there is advanced technology, it will be a useless treasure if there is no adaptability to use.

**Yasuda :** It's almost impossible to be excellent in all fields. I think to set the target field and develop technologies and know-how specialized in that field are better behavior.

**Kondo :** Expanding of Asian countries is one of strain on the manufacturing industry. How do you think about this?

**Yasuda :** I am not worried about it at this point because unit price of connection pipe for air conditioner is not high compared with its volume. When you import, its transportation cost makes the profit to minus. Although we established a branch in Taiwan a few years ago, it is to meet with the demand in Taiwan and China alone.

**Kondo :** There's no need to worry about "hollowing-out" in your company. It looks second and third business pillar next to piping system for air conditioner is growing steadily.

**Yasuda :** I am rather in trouble as I want to challenge many things. The most promising one is the pipe for hot water heater by gas. We can utilize the know-how accumulated by the development for air conditioner piping.

**Kondo :** To develop new product and create new field is one of the most important task as company, what is the point to lead the development to success?

**Yasuda :** It will be information. To enhance information collection and analytical abilities is important. That ability will create the new way for joint development with higher cost effectiveness regardless of in-house development.

**Kondo :** It means that you will actively use outsourcing not only in terms of production but also technology from now on. May I hear your dream as a president to close this interview?

**Yasuda :** Even we are small, we want to be a glittering existence in the field. The part where major company cannot enter, we would like to show our value there.

**Kondo :** I pray for your company's expansion by established second and third business pillars in the field. Thank you very much for today's interview.

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Editor's Note : "Management is a series of hardship", it seems he calmly accepts it and enjoys to get over the difficulties. I saw his indomitable spirits as enterprise manager who change the crisis into opportunity in his resolute attitude. (Kondo Mitsue)