

Japan's Shipping Industry Resilient in Wake of Global Disruptions

In an increasingly globalized world, the Japanese shipping and logistics industry stands at a critical juncture. The past few years have been marked by unprecedented challenges, from the COVID-19 pandemic to geopolitical tensions and environmental concerns. Amidst these disruptions, Japanese firms are not only weathering the storm but also positioning themselves as pioneers in reshaping the future of international logistics.

The impact of COVID-19 on global supply chains has been profound, as highlighted by Takahiro Arima, president of Seino Logix Co. Speaking on the challenges faced by his company, Mr. Arima underscores the drastic disruptions in cargo transportation and the strain on resources. Despite these hurdles, Seino Logix adapted swiftly, leveraging government subsidies to bolster the economy and meet increased demand.

"COVID started in February 2020, and cargo transportation dropped drastically around May or June of that same year. Consequently, because it became difficult to secure containers or a place for the cargo on the ship, the price of transportation went up," says Mr. Arima.

Adapting to the new normal, Mr. Arima's company swiftly responded to increased demand with strategic manpower expansions: "We had a shortage in manpower because of the increase in the amount of cargo handling, so we added 50 new employees."

Takayoshi Matsumoto, president of Nippon Concept Corporation, emphasizes the transformative shift in the perception of logistics. No longer viewed merely as a cost center, logistics now assumes strategic importance in ensuring resilient supply chains. Mr. Matsumoto's emphasis on ownership of assets and the seamless integration of services reflects Japan's commitment to reliability and efficiency.

"Previously, logistics was considered a necessary expense... However, with the increasing diversification and localization of supply chains, logistics has now transformed into a strategic decision," he says. Mr. Matsumoto also underscores the importance of asset ownership and the seamless integration of services: "We are fortunate to own our tanks and are not dependent on external sources... Unlike many of our competitors, we offer comprehensive support and services to our customers."

Mitsuru Saito, president of Nippon Express Holdings, stresses the need for robust business continuity plans (BCPs) amidst multifaceted disruptions: "The main priority of our company is to provide reliable trade routes that protect the reliability of our customers' supply chains... If something happens on one route, we can offer alternative options while transparently updating our customers as to the cost and lead time."

Junichiro Ikeda, chairman of both the Japan Association for Logistics and Transport and Mitsui O.S.K. Lines, Ltd. (MOL), advocates for collective industry responses to structural complexities: "There are complex reasons behind the disruption of logistics... It has to be the whole economy or industry taking measures to first decide whether to prioritize efficiency... or to create some allowance which could be called on in abnormal situations."

Hiromi Tosha, president of Iino Lines, highlights Japan's potential as an alternative gateway to the Far East amidst concerns of overreliance on China: "Europeans consider Japan to be one of the potential gateways to the Far East... Once Japan is able to introduce more lenient policies towards employing foreign workers, we will have an opportunity to excel globally."

Amidst these challenges, Japan's shipping and logistics industry is embracing innovation and sustainability. Collaborative efforts and technological advancements are driving efficiencies and resilience across the supply chain, positioning Japanese firms as leaders in shaping the future of global trade.

From the lessons learned in crisis to the innovative solutions being implemented, Japan's shipping and logistics industry is navigating the turbulence of the present with foresight and resilience, poised to chart a course towards a more sustainable and efficient future in global trade.

Eco-Driven Logistics: Nippon Concept's Global Mission

Celebrating its 30th anniversary this year, Nippon Concept Corporation continues to lead in eco-driven logistics, merging environmental commitment with global growth.



Keiyo Rinkai depot

In 2022, Nippon Concept Corporation achieved record revenue of JPY 23 billion. Despite 2023's challenging economic landscape, marked by inflation and shifting consumer demands, the company adapted operations, diversifying services and enhancing efficiency.

Specialization in ISO-tank containers has been crucial, enabling Nippon Concept to swiftly respond to dynamic changes in global logistics during the pan-

"Innovating in logistics, we're committed to leading the industry in sustainability and efficiency, shaping the future of global transport."

Takayoshi Matsumoto,
President,
Nippon Concept Corporation



demic, particularly benefiting from the surge in ocean freight due to China's economic recovery.

Nippon Concept's commitment to environmental sustainability is exemplified by establishing Nichicon Overseas Gas Tank Chemical Co., focusing on the recovery and recycling of fluorocarbons and refrigerants, as well as a transition to solar energy. "Our shift to solar power and the creation of Nichicon Overseas Gas Tank Chemical Co. are significant steps towards reducing our environmental impact," President Takayoshi Matsumoto explains.

Addressing Japan's aging workforce, Nippon Concept has imple-

mented innovative strategies to attract younger talent, including collaborations with educational institutions. "We're actively engaging with schools to showcase our global reach and significance, attracting a new generation to logistics," Mr. Matsumoto states.

Nippon Concept is focused on enhancing the environmental benefits of its logistics services. By adopting advanced technologies and sustainable practices, the company strives to minimize the ecological footprint of global transportation, offering efficient and eco-friendly solutions.

The company's expansion strategy includes a focus on strategic



Nippon Concept staff members

locations like France and Spain, chosen for their logistical advantages and market potential. This expansion is part of Mr. Matsumoto's vision to position Nippon Concept among the top five logistics companies globally within five years. "Our goal is not just growth but to be a leader in sustainable and innovative logistics solutions," the president envisions.

As Nippon Concept celebrates three decades of innovation and growth, its commitment to eco-friendly logistics and global expansion continues to drive its mission, setting new industry standards in sustainability and efficiency.



<http://en.n-concept.co.jp>



"We believe that our mission is to provide transportation that allows our customers to continue to shine in the world."

Takahiro Arima,
President, Seino Logix

Seino Logix, a trailblazer in the realm of LCL (less-than-container load) marine cargo transportation, represents a pinnacle of logistical innovation and efficiency. The company specializes in ocean freight consolidation, a service that allows for the transportation of smaller volumes of cargo without the need for a full container load, thereby sharing container space with other shipments. This method proves crucial for businesses looking to optimize shipping costs and logistical efficiency. With a dominant presence in shipping lanes from Japan to key markets in Europe and North America, Seino Logix boasts the top market share in this niche sector.



Yokohama Port

The philosophy that drives Seino Logix forward is deeply customer-oriented. Takahiro Arima, president of Seino Logix, articulates this focus, stating: "We believe that our mission is to provide transportation that allows our customers to continue to shine in the world." This mission underscores every strategic decision and operational move the company makes. It's encapsulated further in the company's chosen ethos "LOGIX-KNOT," which

Leading the Waves in LCL Shipping

With a unique combination of speed, innovation and a customer-focused approach, Seino Logix dominates the LCL shipping sector, providing top-tier logistics solutions.

Mr. Arima explains. "The word 'knot' means not only the speed of a ship (nautical mile), but also a knot or bond. We believe that when all employees work toward the same mission, engagement will increase, and as a result, the company as a whole will have a stronger sense of unity than ever before to carry out our mission of customer satisfaction."

Seino Logix's commitment to speed and innovation has been a significant factor in its success. The company is known for its pioneering services, which often precede industry trends. Mr. Arima reflects on the importance of speed and foresight: "Another of Seino Logix's strengths is its speed, as evidenced by the many industry-first services it offers, and its ability to quickly develop services that are useful to customers when they are in need and at the most appropriate time. We strive to maintain our philosophy: 'Be Unique & Different.'"

Mr. Arima's extensive experience abroad, particularly in the United States, has also informed Seino Logix's approach to global logistics. He discusses his tenure in New Jersey, emphasizing the importance of local insights and trust in logistics: "Our local representatives place a high priority on communication with the field, actually visiting the field, building a relationship of trust, and creating a system that allows us to exchange information at any time." This local engagement is crucial in managing the complexities of LCL shipments, where the consolidation process inherently carries certain risks.

Digital transformation (DX) is another critical area for Seino Logix. Mr. Arima's experiences in the U.S. revealed gaps in Japan's

approach to logistics, particularly in digital processes. "I felt firsthand how far behind Japan was in the digital part of the process, and this led me to think about changing the Japanese side's approach to systems and data handling," he remarks. This realization has spurred efforts within Seino Logix to harness digital technology to streamline operations and enhance customer interactions.

Looking to the future, Seino Logix has ambitious plans to expand its market dominance further. The company aims to secure the largest market share in Japan for consolidated services across all regions, except China.

specialized cargo such as perishable and dangerous goods. Mr. Arima highlights new initiatives such as expanding refrigerated consolidation services to additional global markets and enhancing dangerous goods services.

The president concludes with a vision of innovation and a commitment to not just follow but lead in the logistics sector: "Even in these uncertain times, we will continue to develop and provide services that only a consolidator can offer, by constantly questioning conventional wisdom and considering products with the awareness that there are no absolutes."

Through strategic growth, technological advancement and a steadfast commitment to customer satisfaction, Seino Logix is poised to maintain and expand its role as a leading provider of LCL shipping services



Mr. Arima also shares details about targeting specific economic zones such as the Texas Triangle in the U.S., known for its booming industries and significant logistical demands. "This economic zone has a concentration of semiconductor and other chemical-related industries and warehouses. We are considering the possibility of starting direct consolidation of all-water cargoes to Houston," he explains.

In addition to geographic expansion, Seino Logix is also broadening its service offerings. The company is exploring new markets in Asia, like India and Indonesia, and enhancing its capacity for handling

globally, continually enabling its customers to "shine in the world."

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