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INTERVIEW

“The demand has been very strong over the last months”

Interview with Mr. Ryo Nakamura, President of Elna International Corp.

The COVID pandemic is obviously a huge challenge for companies all around the world. Most have adapted, and but many are struggling to keep going. In some rare cases, however, it has produced an unexpected outcome. Mr. Ryo Nakamura, President at Elna International Corp., told us how the demand for sewing machines has increased since March. The company has also had to quickly develop its online presence.

For people who are interested in the history of Elna and Janome (the parent company), we recommend that you read [our interview of Mr. Nakamura from 2016](#).

How has Elna reacted to the COVID crisis?

When it started, we understood there was a major economic crisis ahead. We thought we would have been impacted badly, with massive sales drops. Actually the reality turned out to be completely different. With the confinement in March and April, the combined effect was a strong increase in demand for our products. First, people had time to look for hobbies they could practice at home. Many turned to sewing. Second, the



The 80th anniversary edition of the popular Excellence 680+

scarcity of masks during the spring brought many people to make their own, and they needed a sewing machine to do this.

Have your sales been impacted by COVID (positively or negatively)?

Yes, very positively. The demand has been very strong over the last months. Our sales have increased considerably starting from April, and are still very high today. We cannot go too much into the details of the figures, but our parent company Janome has already published some figures. Last fiscal year (April 2019 to March 2020) the consolidated sales of

Janome group was 35.5 billion yen (about 310 million francs). We expect it to increase by 10% for the current fiscal year. For Elna International we just completed our first half-year and our sales have increased by 63%. The trend is global.

Are there any products for which you noticed an unusual demand?

This year we celebrate our 80th anniversary. We have already launched a special edition of our bestsellers: Excellence 680+ and 580+. Next year, will be the 100th anniversary of Janome.

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会見

INTERVIEW

“The demand has been very strong over the last months”

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What sort of challenges have you faced (reaching new customers, shortage of stock, etc.)?

We are very happy that our sales have increased strongly, but this has also been challenging. We have been facing shortages since the beginning. We receive the machines once a month, and the day after that they are almost gone. In March and April, the situation was very difficult for the retailers we work with. They have suffered significant losses while they had to stay closed. Regarding production, our factory did not have to close. Luckily, we could maintain production, but it the pandemic is making our efforts to increase production more difficult.

Over the last years, sustainability and home crafting have been trendy. Have you noticed it in your sales?

Sustainability is very important to us and we are part of this trend. This also means we have to adapt to those new customers. In the past

we were just selling the machines, and most customers already knew how to use them. Today, we have new customers that are less familiar with our products. We also need to provide fabric or accessories and show them what they can do with the machine. We have started to upload tutorials to help and inspire people.

Sustainability concerns started before the pandemic and are likely to continue after. For us, the challenge is now to keep those new customers. For example, now that face masks are easily available, we need to show people who have purchased a sewing machine to make masks, that sewing is fun.

What do you expect for the near future?

The priority is to retain new customers. On the other side, we have learned a lot during the crisis. For instance, we had to switch to e-commerce. Now we want to maintain a presence online, but we don't want to undermine our good relationship with our retailer partners. One way is to develop our digital

marketing.

Speaking about retailers, you do have your own shop in Geneva?

Yes, in Balexert. It is our only shop in Switzerland, but it is more than a shop. We also have classes there and we have special events.

Last year we had a trial with an embroidery machine. We took a picture of the families visiting us and the machine could embroider it on tissue. The trial was very popular.



Mr. Nakamura, President of Elna International Corp.

動向

TREND

Japan further increases its overseas market access thanks to the RCEP

On November 15, 2020, Japan signed the Regional Comprehensive Economic Partnership (RCEP) agreement along with 14 other countries at the fourth RCEP Summit (online conference due to COVID).

The RCEP Agreement is a broad

economic partnership agreement involving 15 member countries which not only account for approximately 30% of the world's GDP value, trade value and population, but also account for a significant part of Japan's trade. Approximately 50% of its total trade value.

The Agreement is expected to improve market access and establish rules between a variety of countries in different stages of development and with different systems in a wide variety of fields, such as intellectual property and e-commerce,

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Japan further increases its overseas market access thanks to the RCEP

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aiming to promote regional trade and investment and enhance the efficiency of regional supply chains.

The 10 ASEAN countries, as well as Japan, China, Australia, New Zealand, and South Korea have agreed on one of the largest economic agreements ever signed covering one third of the world's population and 30% of the global trade. India has not yet agreed, but could join later, further increasing the magnitude of the newly signed deal.

While the agreement is broader in terms of cumulated GDP and trade, it does not go as far as the Trans Pacific Partnership (TPP) signed in 2016 (without the USA).

When also taking into considera-

tion the EU-Japan Economic Partnership Agreement entered into force last year, Japan has proven to be a leading force in promoting free trade recently, while global trade

has been severely undermined.

The agreement is available on the [Ministry of Foreign Affairs' website](#)



Mr. Suga, Prime Minister and Mr. Kajiyama, Minister of Economy, Trade and Industry at the online signature ceremony

動向

TREND

Japanese companies seeking new business styles

The third and last focus area of the [JETRO Global Trade and Investment Report 2020](#) concerns Japanese companies and how they reacted to the COVID. Digitalization and new services will be critical.

According to the survey conducted by JETRO in collaboration with the Japanese chambers of commerce and industry in each country/region, about 80% of Japanese companies operating overseas expect sales to decline in 2020 compared to the previous year. The

main reason is the decrease in both domestic and overseas demand. This was followed by the supply chain disruption due to its division into domestic and overseas supply chains.

In response to COVID-19, about 60% of Japanese companies operating overseas are considering revisions to their business strategies and models. Among them, 70% answered that the change should focus on sales strategy.

With global uncertainty reaching

unprecedented levels, “demand shock” and “market loss” brought about by COVID-19, following on the heels of the US-China friction, are forcing Japanese companies to shift to new business styles.

Among others, [Atsool](#) has released a price [comparison website](#) for masks and gels, [Glaucks](#) has developed a food sharing platform to eliminate food losses for food business operators, and [Atama Plus](#) has strengthened its product services to support teachers who provide remote classes.

活動

ACTIVITY

The PlayStation 5 opens the way for the next generation of video games

革新

INNOVATION

The video game industry has become the largest entertainment industry worldwide, and it continues to grow fast. It generated 81 billion revenue in 2014, more than twice the profits made by the film industry. In 2018, video games have generated earnings for more than 130 billion dollars. Historically, Japan is a leader in this industry, having sold 9 of the best-selling game consoles ever sold (Sony 5 and Nintendo 4).

The four previous generations of the Sony PlayStation were all top sellers. The PlayStation 2 remains the all-time best seller, with more than 155 million units sold worldwide.

Over the years, gaming consoles have become a driven force for the whole entertainment industry as well as a major component of pop culture.

Back in the days, the PlayStation 3

- which included a Blu-ray - strongly contributed to establishing the dominance of the High Definition technology in the industry. While the PlayStation 5 is compatible with all HD televisions, it was made for 4K and potentially even 8K. No doubt this next generation of consoles will positively impact television sales. While a better resolution is not always so visible, the PS5 improves the gaming experience with other features such as a higher refresh rate, the support of virtual reality devices, and the new DualSense controller including haptic feedback and adaptive triggers which adapt to the in-game situation.

The PlayStation was released on November 12 in Japan and the USA, and on November 19 in Europe. Unfortunately, because of the very high demand and the difficulties in production due to COVID, the PS5

is currently out of stock and is likely to be difficult to find in the coming months.

The PlayStation 5 is available in two different models, the normal one and a digital edition without the Blu-ray reader.

More information on [PlayStation Switzerland](#)



The new PlayStation 5 / Copyright Sony

Agenda



Stay tuned!

活動

AGENDA

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online: <http://www.jetro.go.jp/switzerland/newsletter>

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