

INVESTOR'S GUIDE 2024: STOCKS FOR UNCERTAIN TIMES

FORTUNE



JOSHUA KUSHNER

Bold bets on **Instagram**, **Stripe**, and **OpenAI** made him a billionaire. How he built **Thrive Capital** and paved a path outside his famous family.

JAPAN'S STRUCTURAL ADVANTAGES

The companies powering the infrastructure sector credit Japanese business traditions for their success.

MUCH OF JAPAN'S GREATEST BUSINESS ACHIEVEMENTS HAVE been in seemingly glamorous industries, featuring shiny new cars, high-tech televisions, and console gaming systems that have changed the world. A slightly less glitzy sector, yet even more vital to the nation's economic performance, has always been the infrastructure field. Roads and bridges, as well as transport and delivery logistics, are some of the most important elements that don't just keep the economy literally moving, but are also driving Japan forward in terms of innovation and sustainability. At the heart of every infrastructure business is the same relentless pursuit of excellence and quality standards that

gave the world game-changing hybrid cars and consoles, and these aspects are enjoying a significant upward trajectory. Despite the disruption caused by the pandemic and lockdown restrictions, recent figures have predicted a 4.6% growth in the construction market to reach an impressive JPY 35,516 billion (almost \$235 million USD) this year, with an average rate of more than 4% expected to be maintained for the next four years. Meanwhile, the market for transport infrastructure construction specifically is set to enjoy a compound annual growth rate of 5.5% over the same period. Even one of Japan's most iconic infrastructural milestones is heading for an upgrade. The Chuo Shinkansen magnetic levitation technology train line, which is currently under development, is set to reach speeds of 314 mph, cutting the current Tokyo-Nagoya bullet train journey time by 50%. If that development serves as the epitome of Japan's direction of travel, the business leaders working in various aspects of the relevant industries are also confident, citing traditional Japanese industrial practices for the positive state of the market. Goji Wada is President and Representative Director of both The Victaulic Co., of Japan Ltd., which specializes in pipe joints and equipment for energy, water, and sewage

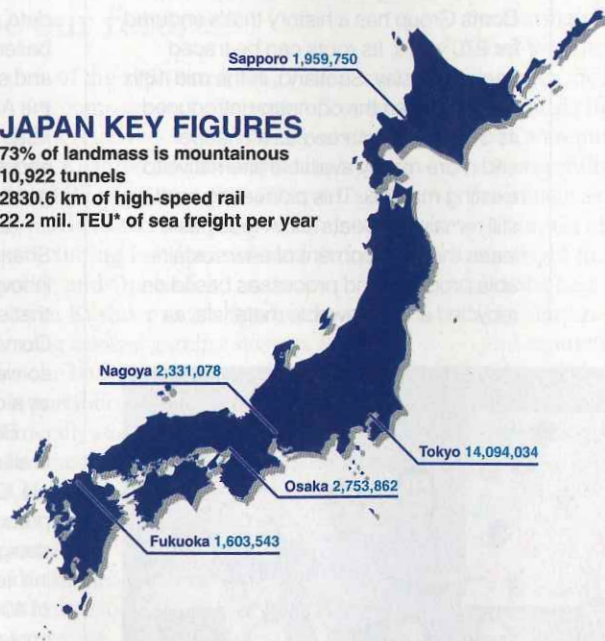
transportation systems, and sister firm Mitsubishi Rubber Co., Ltd., renowned for its range of rubber seals, shells, and shields across infrastructure fields. He is well placed to judge what works and what doesn't in this arena. "We are developing products that protect people's lives from earthquakes, lightning, typhoons, and tsunamis, as well as solving problems with aging infrastructure. Our ethos is centered around innovative products that enhance safety, security, disaster prevention, and disaster mitigation," says Wada. "We firmly believe Japan can uphold its leading position by applying the insights gained from past experiences and harnessing its innovative spirit

and robust manufacturing capabilities," he adds. In Japan's cutting-edge tech industry, understanding the importance of infrastructure and logistics is crucial for success. According to Hideaki Shimizu, Representative Director and CEO of Via Mechanics, Ltd., the Japanese *monozukuri* tenet of best possible standards is vital to this. "Japanese *monozukuri* is based on teamwork and cooperation within a company, where each member works together toward a common goal. Through the group's achievement, we are able to gather knowledge throughout our organizations to further our technological achievements," says Shimizu. Logistics form a central part of business infrastructure, and the work done by conveyor power roller manufacturers

Itoh Denki Co., Ltd., for organizations such as the United States Postal Service speaks for itself in terms of how well Japanese shipping is rated. "*Monozukuri* culture also means striving to improve our society through what we do here—our products as well as our actions as a company," says President Tetsuya Itoh. "Our policy is that the product and company overall must make a positive impact on society, the world, and our community. We try to do this by utilizing our know-how and technologies and provide innovative solutions to the challenges in the logistics industry," he adds. ■

JAPAN KEY FIGURES

73% of landmass is mountainous
10,922 tunnels
2830.6 km of high-speed rail
22.2 mil. TEU* of sea freight per year



*TEU: Twenty-foot equivalent unit

Efficiency and innovation are among the strengths of Japan's economy.

AN AUTOMATIC WIN



Tetsuya Itoh
President,
Itoh Denki Co., Ltd.

JAPANESE MOTORIZED CONVEYOR ROLLER MANUFACTURER

Itoh Denki is leading the way with automated and connected technology for blue-chip clients, such as the United States Postal Service, as well as an expansive range of e-commerce and automotive companies. Itoh Denki is a family firm that has been in business for 77 years and was recently listed as one of the global niche top 100 enterprises by the Ministry of Economy, Trade and Industry, in Japan. In addition to a strong Japanese base, Itoh Denki also enjoys extensive international reach, with more than 50% of its sales coming from overseas markets. Key to the company's success is a strong focus on digital transformation and innovation, fueled by proprietary technologies in both hardware and software. For example, its flagship product, the Power Moller®, is built for slim and compact lines and simplifies installation and design. Itoh Denki's solutions help businesses improve efficiency, save on labor costs, and respond to rapid market changes—including increasing numbers of transported goods and a shrinking workforce—in an adept and agile manner. Its systems also support sustainability while relaxing excessive safety regulations. "We have always tried to utilize our know-how and technologies to make a positive impact in society by providing innovative solutions to the challenges in the logistics industry," says the company's president Tetsuya Itoh. Another element of the firm's forward-thinking approach is a groundbreaking, integrated, self-diagnostics program designed to support remote maintenance and, thereby, reducing costs and headaches for clients. Itoh Denki runs on an ethos of constant improvement. "Our company's DNA is deeply rooted in Japanese '*monozukuri*' culture, which means always working toward a better quality at every level and enhancing our strengths," says Itoh. "This stems from the unique features of motorized drive roller technology-based material handling." ■

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