



**Asia-Pacific  
Economic Cooperation**

**EdokirikoHanashyo  
Japan**

**Strategic Human Resource  
Management**

Written by

**Reiko Toyoshima**

Program Officer for APEC HRDWG CBN  
Human Resource Development Department  
Institute for International Studies and Training (IIST)

The case was developed with the cooperation of EdokirikoHanashyo solely for educational purposes as a contribution to the project entitled “Strengthening Human Resource Management System of SMEs for Facilitating Successful Trade and Investment in APEC,” conducted under the auspices of the Asia-Pacific Economic Cooperation (APEC). The case is neither designed nor intended to illustrate the correct or incorrect management of the situation or issues contained in the case. Reproduction of this case for personal and educational use is encouraged. No part of this case however can be reproduced, stored, or quoted for purposes other than the above without the written permission of the author(s) and APEC Secretariat.

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The opening of TOKYO SKYTREE, a new landmark in downtown Tokyo in May 2012 was especially significant for Takayuki Kumakura (born in June 1979), the director of EdokirikoHanashyo Co. Ltd. Hanashyo, one of Japan's traditional Kiriko (cut glass) manufacturers in Tokyo, was reputed to be the top brand of the Edo Kiriko industry due to the continuous innovation that the company adopted. Hanashyo had so far succeeded in attracting customers both domestic and internationally. Takayuki could foresee continued solid demand for Edo Kiriko since the use of Edo Kiriko patterns as interior decoration for the TOKYO SKYTREE had further raised public interest in the tradition and culture of old towns in Tokyo.

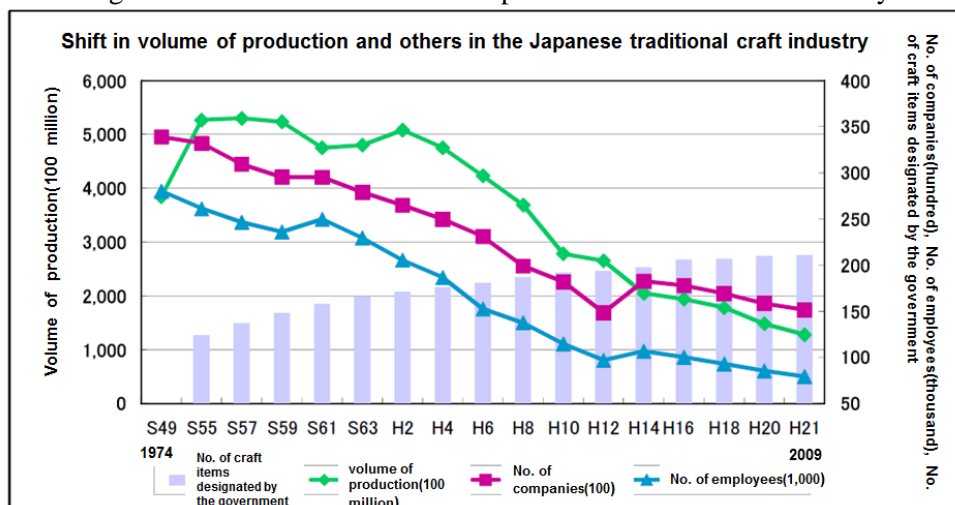
Takayuki had been working for 10 years at Hanashyo and was being trained to be the third owner of the company. While there were still a lot of things to learn from his father, Takayuki felt that it was time to move the company to the next stage and pursue the dream which his father had always wanted for Hanashyo — enter the global market.

Takayuki was encouraged by the company's steady sales growth and increasing opportunities created by economic liberalisation. There were however a number of issues to be addressed. For a small family-owned enterprise like Hanashyo, lack of human resources was always a bottleneck for expansion and innovation. Developing and retaining skilled workers was also a critical issue. Takuyaki started to evaluate what the company's priority should be and how an SME like his company could be successful in the international market.

## Traditional Craft Industry

Japanese traditional crafts had long enjoyed a high reputation for its outstanding technologies and exceptional beauty both at home and overseas. The industry however faced a threat of decline, with the continuous fall in its production volume and in the number of firms and workforce. In 2009, production remained at about 128 billion yen, approximately 13% lower than that of the previous year and 25% below the peak in the 1970s. The number of companies and employees in the industry likewise dropped to 15,100 and 79,000, respectively in the same year (Figure 1).

Figure 1: Volume of Production: Japanese Traditional Craft Industry



Source: The Association for the Promotion of Traditional Craft Industries

Several factors appeared to be responsible for the decline. For one, the domestic market had been shrinking due to the protracted economic recession and decreasing population. Likewise, the industry was confronted with an influx of cheaper goods mass-produced abroad. In 2008, imports in Japan's so-called lifestyle industry<sup>1</sup> amounted to approximately 2.4 trillion yen, exceeding exports by approximately 1.5 trillion yen.<sup>2</sup> Also, the aging of skilled craftsmen and lack of successors continued to be a serious problem in this sector. In 2009, 64% of the employees in the industry were aged over 50, while only 5.6% were under the age of 30.<sup>3</sup> Another issue to be considered was the changing value and lifestyle among customers. Modernisation of daily life exposed the customers less and less to traditional culture and knowledge as well as reduced their opportunity to utilise traditional crafts and appreciate their fine quality.

Edo Kiriko was a cut glass craft produced in the downtown areas in Tokyo, the city formerly known as Edo. Its origin dated back to 1824, when a glass artisan named Kyubei Kagaya started to engrave patterns on the surface of glassware. Edo Kiriko's main features were the fine cutting and vivid colour contrast created by engraving patterns on two-layered structures of coloured and transparent glasses. The production of Edo Kiriko was carried on in the urban culture and its traditional techniques had been preserved by the manual skills of Japanese craftsmen. As of 2005, there were 78 Edo Kiriko workshops in Tokyo where an estimated 135 artisans were engaged in manufacturing Edo Kiriko products.<sup>4</sup> Most of Edo Kiriko workshops were Original Equipment Manufacturer (OEM) suppliers, selling their products to large department stores and other retailers. The annual industry sales amounted to approximately 900 million yen in 2005.<sup>5</sup> Just like other traditional crafts in Japan, the industry had long suffered from sluggish growth in sales and fewer applicants wishing to be artisans in businesses.

The government had been implementing measures to support the traditional craft industry in developing new products that fitted into modern life and created a new market. Some local communities established regional brands of local industries. For example, Sumida, a downtown area located in the western part of Tokyo and also known as the production area of Edo Kiriko, launched the Sumida Area Brand Strategy in FY 2009. The project intended to promote the industry in the area to coincide with the launch in 2012 of TOKYO SKYTREE (Figure 2), the world's highest broadcasting transmission tower, which was expected to attract a large number of both domestic and overseas visitors to the city. The strategy aimed to raise Sumida's name recognition and image to the public by branding products made within the Sumida area, as well as promoting them through collaboration between businesses in Sumida and outside designers and creators.

Figure 2:  
TOKYO SKYTREE



<sup>1</sup>The lifestyle industry referred in this text consisted of eight manufacturing sectors including home furnishing, textile and apparel, leather goods, plates and utensils, toys, jewelries, stationaries and traditional crafts.

<sup>2</sup>Trade Statistics of Japan (2008), Ministry of Finance.

<sup>3</sup>The Association for the Promotion of Traditional Craft Industries.

<sup>4</sup><http://www.nipponnowaza.com/>

<sup>5</sup>Ibid.

## EdokirikoHanashyo

### *Historical Development*

Kumakura Glass was established in 1946 in Kameido, Tokyo by Takayuki's grandfather as a small family-owned company specialising in the manufacture of Edo Kiriko glass products. At that time, Kumakura Glass was purely an OEM company whose production was 100 percent order-based by wholesalers.

The turning point in the business came when Takayuki's father, Ryuichi Kumakura (born in July 1947), took over the Edo Kiriko business from the founder in 1994, and incorporated EdokirikoHanashyo as a retail store of Kumakura Glass. He decided to cut off all the OEM arrangements and started selling direct from the factory. In the preceding years, Ryuichi had seen the price of Edo Kiriko products beaten down by retailers and the danger of the Japanese glass industry vanishing altogether. He also strongly wanted to establish his own brand and manufacture original products, rather than provide OEM products to wholesalers. Initially, he started to sell direct through advertisements placed in daily newspapers. Customers who responded to the advertisements were mainly housewives who called the store to buy the Hanashyo products for their families. Their husbands then started to use the products as corporate gift items. At that time, online shopping had sprouted in the market. Ryuichi opened a website (<http://www.edokiriko.co.jp/>) in 1997 to appeal to a broad clientele. Since then, the showroom and website had been Hanashyo's only sales channels. Direct sales enabled them to grasp customer needs firsthand and present their own ideas direct to customers.

### *Products*

Hanashyo's Edo Kiriko was characterised by innovative designs combined with tradition. While preserving traditional patterns handed down through generations, Ryuichi managed to develop three original patterns<sup>6</sup> that matched the sensitivities of modern lifestyle (Figure 3).

Figure 3: Traditional Patterns



Tamaichimatsu Pattern  
featuring a circle motif



Kometsunagi (rice line) Pattern  
(used as gifts for Toyako Summit)



Itokikutsunagi pattern featuring  
lines of a chrysanthemum motif

<sup>6</sup>Hanashyo had applied these three original patterns for design registration.

A diversified collection of items included regular items, petit-premium items and premium items (See Exhibit 1). Regular items, Hanashyo's leading products, were large Japanese sake cups, old fashioned-glasses, wine glasses and others priced from 4,200 to 52,500 yen.<sup>7</sup> Petit premium items were products such as above designed by the employees and made as one of a kind, priced between 30,000 and 60,000 yen.<sup>8</sup> Premium items were the top of the line specially designed and created by Ryuichi as one of a kind. Some of their most luxurious items were lamps developed in collaboration with Arita ware manufacturer (Figure 4), with the price tag of as high as 850,000 yen.<sup>9</sup> A series of lamps was well received by their clients and flew off the shelves.

Figure 4:  
Lamps Developed  
with Arita



### *Production Process*

The work of manufacturing Edo Kiriko was roughly divided into two processes: grinding and polishing. In the grinding process, artisans first laid out patterns on the surface of overlaid coloured glasses and engraved the outline of the design into the surface using a grinder with a diamond blade. More delicate patterns were engraved using different kinds of fine grinders. Mature hand technique was required to engrave exquisite patterns in the right equilibrium. The grinding process did not differ much among Edo Kiriko manufacturers such as Hanashyo. Ryuichi however exercised his ingenuity in the way he did polishing. While other competitor companies frequently used chemicals such as sulfuric or hydrofluoric acids to polish products Hanashyo carefully hand-polished its products. Hand-polishing could preserve the genuine colour of glass and the sharpness of engraved patterns, which differentiated Hanashyo from other Edo kiriko manufacturers. All the specialised equipment and materials for polishing were invented in-house, and continuously improved by Ryuichi and other artisans; they were the company's trade secret. The products were then polished with thick woolen cloth and displayed in the store shelves after quality checking. In Hanashyo, artisans shared responsibilities in these production processes to ensure the smooth flow of operations.

### *Customers*

While Hanashyo premium items targeted affluent individuals, the main customers were those in their 20s or 30s (about 70% of the customers were male) looking for nice gifts or something special for their own use. The number of their corporate customers rose after their products were designated by the Ministry of Economy, Trade and Industry as the first product in Tokyo of the Local Resource Utilisation Project in 2007. Thereafter Hanashyo products were often selected as gifts for state guests as well as business VIPs. The Hanashyo brand came to be recognised by the public when their wine glasses featuring the original pattern "kometsunagi," or rice line, were selected as the commemorative gifts for leaders at the 34<sup>th</sup> G8 Summit (Toyako Summit) held in Hokkaido, Japan in July 2008. This opportunity also enabled the company to rapidly increase their sales (See Exhibit 2).

<sup>7</sup>Equivalent to USD 52.50 to 656.25

<sup>8</sup>Equivalent to USD 375.00 to 750.00

<sup>9</sup>Equivalent to USD 10,625.00

### *Organisation*

As of June 2012, Hanashyo had a staff complement of nine members, four in management and five employees. Hanashyo's artisanal craftsmanship was led by Ryuichi and supported by Takayuki, as well as other non-family member staff. Ryuichi became the chairman of the company in April 2012 and Takayuki took charge of the overall management of the manufacturing process, including quality control and procurement. Takayuki's mother, the president, and the elder sister (the director of the company), were responsible for sales, marketing and planning. There were five non-family staff members who were engaged in production. Takayuki and two employees, all in their 30s were the main production workforce in the company. The three other employees who were in their 20s were still in their apprenticeship and could not yet manage the whole production process on their own. As a whole, the average age of employees was 30 years old, which was quite exceptionally young for a traditional craft firm in Japan.

### *Management Vision*

The Hanashyo team shared the company's vision, "Looking into the world." The product design and concept were different from ordinary Edo Kiriko products since the management and employees in the company had always been devoted to design that appealed to foreign clients; thus, the company had never outsourced product planning to outside designers. Having established their own sales channels, Hanashyo's business style was quite different from other Edo Kiriko makers who were mostly subcontractors to wholesalers. Because of the level of quality of their products, the company was confident that they had no rival among other Edo Kiriko industry players. Rather, they viewed manufacturers of other industries in the high-end gift market, (e.g., ceramic wares) as their potential competitors. They wanted to move away from being a traditional craft manufacturer and were focusing their efforts on building and expanding Hanashyo as a major luxury brand of glassware. Ryuichi and Takayuki hoped to create an image of Hanashyo as a "small but amazing" company in the market, modeled after successful family-owned companies often found in European economies like Italy.

### *Going International*

Around the turn of the century, the company started mail orders for overseas clients through the website created in 1997. The reputation of Hanashyo's brand had spread by word of mouth, even outside of Japan, as foreign customers bought Hanashyo products as souvenirs or gifts for their families and friends. In December 2008, the company held an exhibition at the Musée des Arts Décoratifs in Paris on the theme, "Japan Design Exhibition" for the 150<sup>th</sup> anniversary of cultural exchanges between Japan and France. In May 2009, Hanashyo put up a booth at "the JAPAN by Design" exhibition as part of the International Contemporary Furniture Fair (ICFF). Since then, Hanashyo had been pushing their sales to foreign customers through the website and had been receiving many orders from offshore.

Chairman Ryuichi Kumakura was confident of the market appeal of his products and aimed to enter the international market at full-scale speed. He was looking particularly at the Asian market. He discovered that Asian customers had both purchasing power and appreciation for excellence when young people from China and Chinese Taipei in their 20s and 30s visited the company showroom in search of Japanese goods of the highest

quality and artistry. Thus Hanashyo targeted the Asian high-end market as the company's new clientele.

According to Ryuichi's strategy, lamps would be the main products to be promoted internationally since lamps were common fixtures in the lifestyle of foreigners. Ryuichi wanted to make Hanashyo the company that would bring luxury art pieces to the international market. He was considering opening Hanashyo's flagship stores in Asia, particularly in Singapore (famous for promoting arts), or Hong Kong, a centre of brand shops. He was even thinking of transferring manufacturing and sales operations to these international bases by employing capable local people. He was hoping to realise his plan in about three years wherein he would have to find appropriate financial resources, foreign partners and supporting companies.

Takayuki had reservations about his father's business plan. He did not agree with the idea of manufacturing their products overseas because flaws might occur in controlling the quality of products, which would be fatal to the brand image. Another concern was that customers would not want foreign-made products since they liked the fact that the products were only available in the workshop located in Kameido, the birthplace of Edo Kiriko. On the other hand, he agreed with his father on expanding the sales channels by establishing outlets in Asia, and the importance of gaining cooperation from local supporting partners. The key question was how much and how fast their business could be expanded for the international market. The father and son were always debating on the issue and still had to reach a consensus.

As the future third owner of the company, Takayuki fully understood that it would be his role to expand sales channels to overseas: "My father has consolidated the basis of the company's technology. In my turn, perhaps I am expected to expand our sales area for future generations." However, Takayuki noticed that the current level of production should at least be doubled to expand their business offshore. Approximately 180 items of large Japanese sake cups and glasses were produced a month, mainly for domestic customers. He thought it necessary to strengthen the line of lamps and premium items made by his father in order to enter the international market. He was planning to double the production by quintupling the number of lamps produced monthly, while preserving the current production level for the domestic market. However, this scenario was quite difficult to realise at this stage due to lack of human resources. At least two more additional skilled craftsman would be needed to ramp up the production (See Exhibit 3). Since nurturing the company's human resources was becoming more important to the company, Takayuki started to review Hanashyo's human resource management systems.

## Human Resource Management

### *Recruitment*

Hanashyo posted information on job offers and applications on their website (See Exhibit 4). Selection was made under specific conditions such as age limit and academic background. "In older days, some people became artisans because they did not have to talk while working. Nowadays the situations are much different. Artisans need basic education and social skills in order to communicate with both customers and colleagues. So we recruit applicants who graduated from technical college or universities," Takayuki explained.

One female staff who had been with Hanashyo for eight years was an art college graduate studying glass-working who joined Hanashyo to realise her dream of becoming a glass artisan. She said that the traditional craft industry was male-dominated for long, and she was very lucky to be accepted by Hanashyo, which had provided equal job opportunities and treatment for men and women. One male staff who joined Hanashyo three years ago first encountered Hanashyo products on the website when he was searching for information on Edo Kiriko. He was planning to join an international exchange programme where he wanted to introduce something Japanese to peer foreign participants. Fascinated by the artistry of the products he saw on the website, he decided to apply for a job with the company. He originally planned a career as a school teacher and had no experience in arts and crafts. His mother was disheartened by his change of mind but his father understood and supported his decision to be an artisan.

There were always enough applicants, with different backgrounds. For the past five years, approximately 30 candidates applied for a job with the company. A trial period was introduced for the first six months to determine whether the newcomer could fit into the company's organisational culture. The company valued the newcomer's ability to get along with senior colleagues and elicited senior members' opinions about the newcomer before hiring him or her full-time. "In a small company like us, good working relationship is critically important to operate smoothly. For this reason, we never employ persons who have no rapport with the other members, even though they seem to have a good aptitude for the job," Takayuki explained.

### *Training*

It was very important to develop capable workers as soon as possible in order to accommodate a large number of orders. Under the conventional systems in the traditional industry, it usually took 10 years to develop full-fledged craftsmen. Hanashyo had taken a unique approach to shorten the duration down to five years for a new recruit to be able to make products that could be displayed on the shelves. New workers were exposed to the whole process of creating Kiriko glasses soon after they joined the company. They learned all the manufacturing processes step by step, starting with laying-out patterns on the surface of glasses as well as checking the quality of finished products. Next, they practiced polishing the cut portion of products. Finally, they were taught how to grind glasses, which was the most difficult part of the manufacturing process. Time needed to acquire skill in each process differed, depending on individual capacities and efforts of artisans. One senior artisan took care of one new worker as the latter's personal tutor on how to acquire technical skills, maintain tools and design products. As Takuyuki observed:

Young apprentices in the past were taught to learn by watching the work of their masters. Now we are happy to teach our employees as much as they want. Our chairman never hides his skills and technology from our employees. He does not even hesitate to lend his tools to the others, which is not usually the case for artisans. This is because he is confident of his artistic skills and he also wants to raise the technical level of all the employees.

One of the good opportunities for up-skilling their abilities was the design meetings, where employees brought their own designs to be evaluated by their colleagues. The meetings highly motivated the employees since new items could be developed from some of these designs and even newcomers had the chance of producing bestsellers with the help of senior employees. One young employee remembered the moment when



a product he designed was first sold in the shop. The customer who bought his product for the first time told him that she had “fallen in love” with the product at first sight! “It was the happiest moment since I started working in the company,” he reflected.

In their attempt to develop artisans, the company set up a school named “Hanashyo’s” in January 2011 to teach cut glass skills and cut glass related culture. The school provided basic, intermediate and advanced courses for three days a week, during which students could learn how to make a product in a 2-hour lesson. The students could complete a Japanese sake cup in 10 to 15 lessons. All classes were small, having at most four to six students each. The classes were always full and about 80 students have attended the classes since the opening of the school. The school proved to be useful in developing the skills of the staff members who gave lessons to the students as their part-time job at the school. They learned by teaching others and developed communication skills through interaction with the students. Takayuki noted that while it could be very hard for the staff to teach while working, they enjoyed it. He also taught at the school despite his busy work as artisan and owner of the company.

Most of the students took classes just for fun, but the company hoped that the school would be a training ground for company personnel and some promising students who might join the company in the future after finishing advanced courses. Though six students hoped to work as artisans, none of the students had applied to join the company so far.

### *Retention*

While Hanashyo always had plenty of job applicants, it had difficulty in retaining young workers in recent years. Three of the four people who joined the company in the last five years had already left for varied reasons. One felt that the work was too hard and another had too much expectation from the company. The other staff left because the parents strongly opposed his decision to make a living as an artisan. This was presumably due to the negative image of SMEs or artisans compared to large corporations. Hanashyo’s starting wage amounted to less than 60% of that in large corporations. However, Takayuki insisted that he could not afford to pay much more to new recruits who could do very little as an Edo Kiriko artisan. Instead, based on the company’s wage system, salaries were increased according to the level of skills acquired.

In Takayuki’s opinion, the company offered a good salary compared with other SME manufacturers. As of 2010, the average annual income of Japan’s workforce in their late 20s and early 30s were 3,360,000 yen<sup>10</sup> and 3,640,000<sup>11</sup> yen, respectively.<sup>12</sup> Hanashyo provided about as much as these average salaries to their workers and even paid better considering the size of the company. Takayuki believed that “the key factor for retaining talented workers was paying them well.” The wage system in Hanashyo was based on the informal and personal approach. The family members discussed the timing and amount of wage increase based on skills and work attitudes; they had not introduced regular pay raise or salary schedules. In Takayuki’s view, it was not necessary to formalise the wage system for a small family-owned company. He believed that all his employees were satisfied with the evaluation they received, and indeed had not heard

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<sup>10</sup> Equivalent to USD 42,000.00

<sup>11</sup> Equivalent to USD 45,500.00

<sup>12</sup> Statistics conducted by National Tax Agency in 2010

any complaint so far. Sales growth was reflected in the amount of bonuses provided twice a year which was worth 1.5 months' base pay.

In terms of career development for employees, there was not much career options that Hanashyo could provide since the key management functions in the business were lodged with the family members only. Likewise, starting a business of their own in the Kiriko industry posed many challenges even for highly-skilled artisans. Foremost among these was the sourcing of materials and tools which required long-established relations with supporting industries. It was also difficult for these skilled artisans to move to a competitor company because each Edo Kiriko company adopted totally different production methods and work culture. For these reasons, most craft artisans opted to be employed under the mother company. Takayuki explained that such industrial structure helped protect family-owned technologies from getting out of the company. In the past, some experienced artisans left Hanashyo when they felt that their junior fellow artisans had higher production skills. Hanashyo stipulated that job leavers must abide by the company's non-disclosure agreement in order to protect its trade secrets. "It may be difficult to find the best way, but we would like to provide the opportunity for our workers to stay in my company while developing their careers as artisans," Takayuki concluded.

### Issues to be Addressed

Hanashyo was overwhelmed by the rise in demand for its products that the present pace of production could not meet. In addition to the monthly sales of more than 180 regular items, one-of-a-kind items were developed in the intervals. All these products were handmade by the seven artisans. Besides, the company was quite strict in preventing order backlogs and the artisans managed to meet the delivery deadline 100 percent every month. Some clients requested to receive their products the next day. Hanashyo never declined such rush orders, which enhanced their reliability among customers. However, the current demand level left very little time for the employees to develop new product concepts. They were always swamped with daily orders and had to render overtime work to comply with the orders. "If you hope to become a good artisan, you have to brush up on new ideas. I want my employees to go out to absorb and learn a lot of things for new ideas. But they are so worn out that they stay at home and just sleep on holidays," lamented Takayuki. He was concerned that the present work environment could be a stumbling block for him and his employees to generate new ideas and innovation. In particular, he believed that more time should be spent on developing products suitable for the particular market if the company wished to go international.

One of the solutions to handle a chunk of orders appeared to be the recruitment of more employees. Takayuki however considered it unreasonable to suddenly increase the number of staff for a number of reasons. For new hires to become a substantial part of the workforce after a minimum of five years of training, considerable time and effort had to be provided by senior colleagues to train and assist them. Having too many new hires — even three people at the same time — could slow down the flow of production. Thus, the company could afford to accept only one newcomer at a time. Takayuki also thought that having too many employees could impede their strict quality control. Looking at the age structure in the workforce, he realised that it was remarkably unbalanced, consisting of only young workers in their 20s and 30s. To increase production, the company had to wait for these young employees to become technically competent in the years to come.

Transfer of technology and knowledge had become an issue of much importance. Takayuki and others in the workforce fell short of Ryuichi's standards. They could follow

Ryuichi's example but could not achieve the same level of speed, sophistication and meticulousness. Takayuki admitted, "My products would be given a failing grade compared to those of my father." Some premium items of Hanashyo's exclusive lineup, which accounted for about 5% of the total production, were created only by Ryuichi's unparalleled craftsmanship. Currently, Ryuichi was the only artisan in the company (and in the world) who was able to engrave the company's original "rice line" pattern that was an indispensable ingredient for the uniqueness of Hanashyo's products. Takayuki had not yet fully mastered this technology from his father. However, being a successor of a family company, he felt the need to acquire his father's core technologies faster and better than anyone else in the company (Ryuichi had not taught the other workers the rice-line cutting yet). The problem was that he was also engaged in managing the company and found it difficult to spare enough time for practice to acquire the technology.

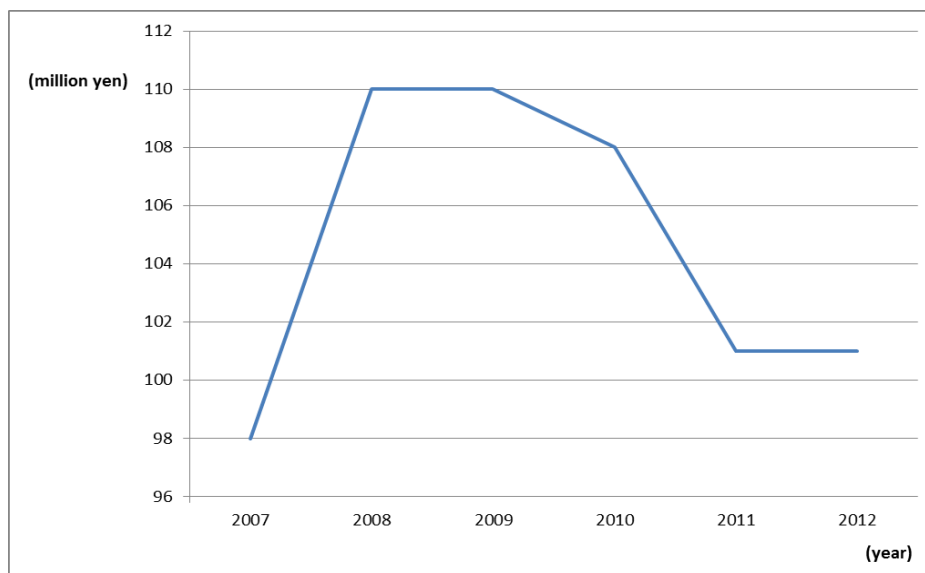
Takayuki mentioned that formalising employee benefits would be another key issue for the future of the company. He noticed that recent job applicants were mostly women. Unless this trend changed, it was expected that the gender proportion in the company would be 50% men and 50% women in the future. Inasmuch as the traditional craft industry had long been dominated by men, Hanashyo had not instituted a system such as maternity leave and childcare leave where female workers could pursue both child-rearing and career advancement. For instance, when his sister became pregnant in 2011, Takayuki let her go on maternity leave from October 2011 to October 2012 on a trial basis. However, the shortfall of hands forced her to go back to work with her baby even before the end of her maternity leave period. He considered the possibility of introducing work-sharing schemes, but was not sure whether such system could work effectively in a small home-based manufacturing company.

In preparation for new opportunities, Takayuki kept asking questions on the key issues Hanashyo faced: How big and how fast could their business be expanded in the international marketplace? What kind of approaches should be best taken to address the issues concerning their human resource management?

Exhibit 1: Product Categories, Estimated Production Time and Number of Artisans

Product Category	Price Range (Yen)	Production Lead Time	Number of Artisans Engaged	Monthly Average Sales (Units)
Large Sake Cup	4,200-21,000	1-3 hours	4	100
Wine Glasses	11,000-21,000	1-3 hours	4	30
Old Fashioned-Glasses	13,000-32,000	1.5-3 hours	4	50
Plates	10,000-32,000	3-5 hours	3	3
Lamps	420,000-870,000	12 hours	2	-

Exhibit 2: Sales of EdokirikoHanashyo (Fiscal year ending August 31)



Note:

2008: Sales jumped up after their products were selected as gifts of the Tokyo Summit

2011: Downturn in sales volumes temporarily occurred in 2011 due to the change of material suppliers.

2012: Sales were affected by the Great East Japan Earthquake on 11 March 2011. The numbers cover the period between September 2011 and May 2012).

Exhibit 3: Current and Ideal Number of Artisans at EdoKirikoHanashyo

Organisation	Levels of Skills	Present Number of artisans	Ideal Number of artisans*
Chairman (Ryuichi)	Master- holding all the skills and technologies for top quality	1	1
Director (Takayuki)	Main workforce- capable of doing all the manufacturing process	3	5
Workers in their 30s			
Workers in their 20s	Assistant- not able to do cutting work	3	3

\*The number was considered to be ideal to double the current production level

Exhibit 4: Job Opportunities at EdoKirikoHanashyo

**Employment Requirements:** Applicants must meet the following requirements

- Be less than 25 years old
- Must have graduated or will graduate from technical colleges, two-year junior colleges or universities
- Be willing to develop a new business utilising the technology of Edo Kiriko
- Be willing to engage in manual labour
- Please visit our blog (<http://edokiriko.exblog.jp/>) for our management vision, corporate activities and other latest information

**Location:** 3-49-21 Kameido, Koto-ku, Tokyo

**How to apply:** Please contact us by e-mail ([hanashyo@edokiriko.co.jp](mailto:hanashyo@edokiriko.co.jp))