

Message from Outside Directors

Valuing the fundamentals of manufacturing

Hideaki Takahashi
Outside Director



It has been five years since I joined Nippon Chemi-Con as an outside director. As someone who has been involved in research and education at universities and other institutions, through my experience as an outside director I have come to understand the true nature of issues facing manufacturing companies.

In the business world, I am truly surprised at the speed at which things are decided. The ups and downs of the academic world largely depend on internal effort but corporate performance can be greatly influenced by global politics and economics. The ongoing trade war between America and China is sure to impact the supply chain of Nippon Chemi-Con.

The fundamentals of manufacturing are safety, quality, and legal compliance. Failure to uphold any of these could have a critical impact on the company. The major losses recorded for FY2017 are attributable to issues related to competition law, and we must accept those results as a lesson to be learned.

With business overseas, communication is important. In addition to language, there is a need to understand history, culture, customs, religions, and other aspects. Nearly 80% of Nippon Chemi-Con products are sold overseas but business customs change greatly depending on the country or region. This is one of the challenges of global business. As raw materials, unfinished products, and finished products are shipped all over the world so the company's logistics strategy is also important. There is an immediate need to improve logistics costs, including air-based transport expenses.

The development of new products requires both a consideration of the fundamentals of manufacturing (safety, quality, legal compliance) and price. This differs greatly from research at the university where I was only focused on the development of new materials and new processes. In order for Nippon Chemi-Con to continue contributing to society, we must adopt IoT and AI to achieve innovation in productivity by connecting people, things, money, and information. As an outside director, I will continue to monitor and support company initiatives.

Business development ground in our strengths

Kinya Kawakami
Outside Director



It has been three years since I assumed the position of outside director. Like last year, I want to take this opportunity to discuss the things I have noticed through my work.

April 2017 marked the beginning of the 8th medium-term management plan. During FY2017, the first year of this plan, the Company recorded extraordinary losses of 19.2 billion yen in relation to antitrust judgments. As a result, FY2017 recorded losses exceeding 16 billion yen. This result is both disappointing and a painful reminder of the importance of compliance. I am committed to conducting strict monitoring and implementing reoccurrence prevention measures to ensure this never happens again.

FY2017 net sales outperformed targets and exceeded 133.3 billion yen. We have set a goal of 140 billion yen for FY2018 and plan to achieve the final year goals of our medium-term management plan ahead of schedule.

Advancements in automobile electronics and growth in industrial equipment are driving higher demand for electronic components. We are making investments to upgrade production capacity and meet demand and aggressively pursue the development of automation facilities that incorporate IoT.

The role of a manufacturer is to flexibly respond to market needs through its development, manufacturing, and sales. Nippon Chemi-Con is the world's only aluminum electrolytic capacitor manufacturer that conducts the internal development and manufacturing of materials, including aluminum electrode foil, electrolyte, and seal rubber. The conductive polymer hybrid aluminum electrolytic capacitor we developed using our internal R&D strengths have recently been adopted for use in vehicles and are seeing rapid growth in demand.

To continue responding to customer needs, we must further improve our material development capabilities. We must strengthen our fundamental materials technology (analysis technology) and advance technology development that is backed by our intellectual property. We also must conduct activities that increase our manufacturing productivity. As a previously discussed topic, we are improving the link between production, sales, and technology. We will further promote partnerships and conduct the speedy development of products that respond to customer needs. We will aim to increase corporate value by creating a foundation for building income and advancing efforts to reinforce our earnings structure. I am excited about the future of Nippon Chemi-Con.