

Investing in business that can become a second revenue pillar from a long-term perspective while performance is strong



Yoko Sato

Director (Part-time)

Boosting human resources and personnel who will play an active role in overseas markets with consideration for our main business's susceptibility to market fluctuations.

In comparison with five years ago, when I was first appointed as an outside director, TOCALO has advanced investment in its thermal spray and surface treatment business in Japan and abroad, and has continued to enjoy increasing net sales and profits. I can sense the openness of the corporate culture in the atmosphere of the Board of Directors, where we can speak out freely.

I believe that one of TOCALO's strengths is its initiatives for nurturing human resources, without bias towards any particular age group. In regards to promotion of the advancement of women, the company has also been making efforts since just prior to my appointment, and its earnest approach has gained it high appraisal. An issue that deserves mention aside from these is surely consideration of striking a balance between formulation of management strategies and investment aimed at achieving our ideal form in the near future. It is a matter that can be tackled now, precisely because of the company's strong performance, and I think it should be approached from a long-term perspective.

Going forward, I believe we must consider opportunities expansion of Japanese and overseas sites, M&As, and so on, without being limited to existing business fields. To this end, I hope the company will make it the highest priority to enhance overseas human resources and boost personnel capable of smooth negotiations and adaptation. Changes to the business climate are becoming ever-more intense, not only for TOCALO. In order to increase our swift response capabilities to these changes, it is surely necessary to also utilize divisions and experts to analyze issues that should be addressed from a long-term perspective. The semiconductor and FPD field, which currently drives our results, is very susceptible to market fluctuations. Consequently, we should actively investigate investment in a business division that will become the second revenue pillar, and nurture human resources, precisely because of our current strong performance.

Strengthening the business foundation by nurturing management human resources and promoting DX now, during this growth phase

In the process of expanding the scale of their business, companies generally over-prioritize increasing local personnel, while tending to lack human resources for management. TOCALO is also undergoing growth in its business scale, therefore I feel it is necessary to focus on nurturing human resources in management divisions of high-priority overseas subsidiaries. When net sales grow, business partners strengthen their demands for price reductions, and there is also a limit to what individuals can manage. It is also important to advance discussions with the future in mind, for example, asking whether our current management methods are sufficient, and how we can drive expanded use of digital transformation (DX).

As one aspect of promoting diversity, companies are expected to appoint female executive officers. However, they also need the willingness to take new approaches, such as looking not only in-house but also outside to find talent to appoint. Furthermore, while it is praiseworthy to take the stance of responding to stakeholder needs, for example, through forward-looking shareholder returns, I also hope we can brush-up our medium- to long-term plans to be able to more clearly champion our management strategies.

Presently, TOCALO is in the process of steadily expanding the scale of its business. It is also going through a transition period of structural reform to speedily respond to the drastic social and market changes underway. I hope that all of our stakeholders will continue to provide us with a range of opinions and requests so that, together, we can achieve continuous growth for the business. In addition, I hope that TOCALO continues to be a company that uses the feedback it receives to fuel continued flexible and forward-facing development.